TDB Trends Research (Nationwide, Research & Summary for March 2024)

The domestic economy has improved
for the first time in three months

～ The tourism industry has boosted the economy.
Going forward, the focus will be on wage increases
and exchange rate movements ～

(Companies researched: 26,935; Valid responses: 11,268; Response rate: 41.8%; Survey start date: May 2002)

< Trend in March 2024: Upswing >

The economic diffusion index (DI) in March 2024 was 44.4, up 0.5 points from the previous month, showing the first improvement in three months.

Amid the normalization of monetary policy, the domestic economy has rebounded for the first time in three months, thanks to positive factors such as the strong performance of the tourism industry and the expansion of inbound consumption.
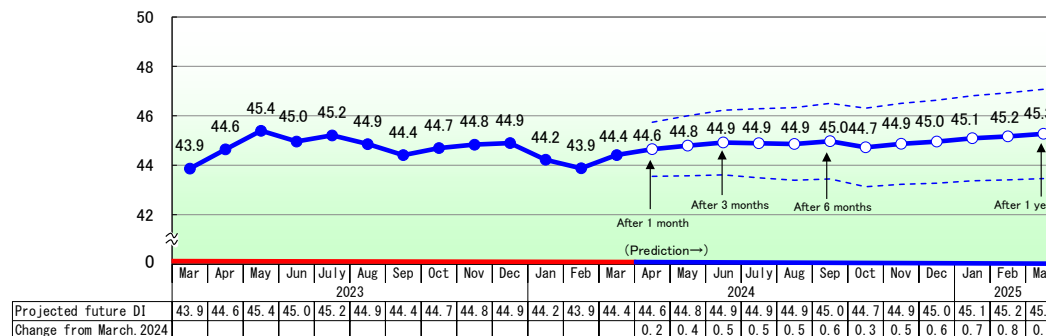
< Future outlook: Gradual Recovery >

The economy is expected to pick up moderately in the future, centered on consumer spending, amid attention to interest rate movements.

By industry: Improvement in 8 out of 10 industries with personal consumption boosting the economy ahead of the new fiscal year.

By scale: Improvement in all scales for the first time in five months, with the food and beverage industry driving growth for small to medium-sized firms.

By region: Improvement in 9 out of 10 regions, thanks to the prosperous tourism industry in each area.

	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	2023										2024												2025		
Projected future DI	43.9	44.6	45.4	45.0	45.2	44.9	44.4	44.7	44.8	44.9	44.2	43.9	44.4	44.6	44.8	44.9	44.9	44.9	45.0	44.7	44.9	45.0	45.1	45.2	45.3
Change from March.2024														0.2	0.4	0.5	0.5	0.5	0.6	0.3	0.5	0.6	0.7	0.8	0.9

*: 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

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Ratio to the Previous Month
Total	43.9	44.6	45.4	45.0	45.2	44.9	44.4	44.7	44.8	44.9	44.2	43.9	44.4	0.5
Large Firms	46.1	47.3	48.1	47.7	48.6	48.0	47.8	47.9	48.4	48.1	47.9	47.7	48.0	0.3
Small to Medium-sized Firms	43.5	44.2	44.9	44.5	44.6	44.3	43.8	44.1	44.2	44.3	43.6	43.2	43.8	0.6
Micro Firms	42.4	42.9	43.9	43.6	43.4	43.5	43.0	43.4	43.1	43.3	42.6	42.4	42.9	0.5

		Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Ratio to the Previous Month
Agriculture,Forestry,Fisheries		41.6	42.2	44.8	46.7	42.5	43.0	42.1	43.0	40.1	40.5	40.3	41.2	42.4	1.2
Finance		44.0	45.0	47.8	48.1	47.4	48.8	46.8	47.3	48.0	47.0	47.7	47.7	49.2	1.5
Construction		45.5	45.6	46.9	46.8	47.8	47.4	47.1	47.5	47.8	47.2	47.7	47.5	47.0	▲ 0.5
Real Estate		47.5	49.6	50.7	50.3	48.8	49.6	48.5	48.7	47.9	47.5	48.1	48.3	49.3	1.0
Manufacturing	Food,BEWerages,Livestock Feed	41.1	42.0	43.7	43.6	43.1	44.5	42.6	43.4	44.0	44.6	43.6	43.4	44.8	1.4
	Textile,Textile Products,Clothing	38.6	41.0	42.1	42.0	43.6	42.6	43.0	41.5	40.8	40.1	37.9	37.7	39.0	1.3
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	37.0	39.7	39.0	38.4	37.9	38.2	39.0	40.3	41.5	40.3	39.9	38.1	38.7	0.6
	Pulp, Paper and Paper Products	38.6	37.6	38.6	35.8	36.1	36.1	36.9	37.7	37.2	38.5	37.3	35.7	36.4	0.7
	Publishing,Printing	34.3	33.9	35.4	33.9	33.4	33.9	32.3	32.5	33.1	34.2	32.4	34.6	35.3	0.7
	Chemical	40.1	41.0	40.6	41.6	41.8	41.2	41.2	41.4	42.7	42.2	42.6	39.9	41.2	1.3
	Steel,Nonferrous Metals,Mining	41.9	41.1	40.9	40.4	40.7	39.9	39.8	41.5	41.9	42.0	39.7	38.3	38.3	0.0
	General Machinery	43.4	43.8	42.9	41.9	42.9	42.8	41.2	40.7	40.5	40.6	39.3	40.6	39.7	▲ 0.9
	Electrical Machinery	42.8	43.2	43.1	43.9	42.9	42.8	42.4	42.3	43.0	42.5	43.6	42.5	41.4	▲ 1.1
	Transportation Machinery,Equipment	41.2	41.5	43.0	44.6	46.2	46.2	48.3	46.9	47.2	44.7	41.6	39.3	41.6	2.3
	Precision Machinery,Medical Instruments and Equipment	46.8	45.6	46.2	46.8	45.4	42.9	44.2	42.9	43.4	44.3	43.9	43.3	45.5	2.2
	Other	40.8	41.9	42.7	42.3	43.8	40.3	40.5	39.4	40.7	39.9	41.9	44.7	45.5	0.8
	Total	41.0	41.4	41.5	41.3	41.5	41.2	40.8	41.1	41.6	41.5	40.4	39.8	40.2	0.4
Wholesale	Food,BEWerages	42.1	44.3	45.2	44.9	46.4	47.1	45.8	43.3	44.5	45.7	43.1	43.7	44.5	0.8
	Textile,Textile Products,Clothing	38.0	41.9	43.1	39.4	39.5	38.0	38.1	36.1	36.0	36.3	36.9	36.8	37.1	0.3
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.0	39.1	38.4	37.3	38.4	38.0	38.1	38.0	38.3	38.9	38.0	37.8	37.6	▲ 0.2
	Paper Products,Stationery,Books	37.3	37.9	40.3	36.5	38.2	38.6	38.5	38.4	40.1	40.7	39.6	38.2	40.1	1.9
	Chemical	43.5	44.9	46.8	45.3	45.2	45.1	44.5	44.9	45.1	45.4	44.4	42.2	43.2	1.0
	Recycled Resources	41.7	43.5	40.4	38.9	42.2	40.9	43.9	45.2	42.4	43.8	42.9	41.7	39.9	▲ 1.8
	Steel,Nonferrous Metals,Mining Products	37.8	37.9	38.1	37.5	37.9	34.7	36.7	37.0	38.1	38.2	37.3	34.9	35.3	0.4
	Machinery,Equipment	45.2	45.2	46.0	45.4	45.3	44.7	43.8	43.9	44.1	44.7	43.7	43.4	43.5	0.1
	Other	42.3	43.9	44.9	43.2	42.6	42.7	41.7	43.1	43.2	42.9	42.0	41.1	42.5	1.4
	Total	41.9	42.9	43.7	42.5	42.9	42.3	41.9	41.7	42.1	42.7	41.6	40.9	41.4	0.5

Economic Diffusion Index (Economic DI)2/2

		Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Ratio to the Previous Month
Retail	Food,BEWerages	42.7	49.1	49.7	46.6	46.2	47.8	46.5	45.5	44.9	46.4	45.5	43.8	45.3	1.5
	Textile,Textile Products,Clothing	39.7	36.6	38.3	40.4	41.4	41.2	36.6	42.7	39.3	40.0	36.3	40.2	36.5	▲ 3.7
	Drugs,Sundries	42.9	47.8	47.4	45.9	45.3	42.6	42.5	43.8	44.7	46.1	45.8	45.4	44.1	▲ 1.3
	Furniture	39.5	38.1	34.7	33.3	32.5	30.2	36.3	27.2	32.4	32.7	34.0	32.1	30.3	▲ 1.8
	Electrical Household Appliances, Information Machinery and Equipment	40.2	37.8	40.5	38.6	41.3	40.2	42.7	42.5	44.0	42.7	41.8	42.3	45.8	3.5
	Motor Vehicles,Motor Vehicle Parts	40.8	44.0	41.5	40.6	40.9	42.0	41.7	42.4	40.2	39.7	42.4	41.2	40.9	▲ 0.3
	Special Merchandise	38.6	39.0	39.4	40.1	38.8	38.7	39.1	39.4	38.1	38.3	37.8	37.7	40.2	2.5
	Various Merchandise	43.6	47.8	45.8	44.9	48.1	48.5	45.9	45.3	44.3	44.1	42.7	40.9	44.6	3.7
	Other	41.1	41.7	41.1	45.8	46.2	42.2	47.6	46.2	47.2	51.3	40.3	44.0	39.7	▲ 4.3
	Total	40.6	42.5	42.4	42.0	41.9	41.8	41.4	41.9	41.2	41.5	40.8	40.6	41.4	0.8
Transportation,Warehousing		41.2	42.1	43.4	42.2	43.5	43.3	42.8	44.1	43.8	44.5	43.5	41.9	43.1	1.2
Service	Restaurants	49.8	50.8	56.7	53.6	55.6	52.2	51.8	47.4	49.4	54.0	50.3	48.0	51.3	3.3
	Postal,Telecommunications	52.8	52.8	58.3	53.3	60.4	54.8	57.4	59.5	57.1	54.2	56.1	51.9	54.2	2.3
	Electricity,Gas,Water,Heat	39.7	38.9	44.0	44.1	44.8	43.5	46.3	44.1	50.0	42.7	41.7	43.6	43.6	0.0
	Leasing,Rentals	48.1	50.5	49.7	52.1	49.8	49.0	49.2	52.5	52.9	51.6	50.3	50.5	51.7	1.2
	Lodging, Hotels	59.5	62.1	59.8	55.1	56.6	55.5	57.6	59.7	64.3	56.9	51.3	55.3	60.6	5.3
	Recreation	50.9	48.9	50.4	47.6	49.3	48.8	46.2	46.3	44.8	47.9	46.3	46.3	47.2	0.9
	Broadcasting	42.6	44.7	47.4	43.1	44.7	46.1	45.6	42.6	45.6	43.3	44.1	47.1	47.4	0.3
	Maintenance,Guarding,Testing	45.3	45.8	47.3	48.0	48.4	47.4	47.8	46.8	49.0	46.9	47.3	46.7	46.7	0.0
	Advertising	43.7	46.6	45.0	45.0	44.8	45.2	45.4	45.2	45.6	45.1	46.2	47.0	45.5	▲ 1.5
	Information	55.5	55.8	56.2	56.8	57.0	56.4	55.5	56.0	55.4	56.3	56.1	55.7	55.3	▲ 0.4
	Labor Dispatching	47.3	49.6	50.7	52.0	52.0	50.9	48.9	50.9	52.3	50.0	48.8	50.6	49.8	▲ 0.8
	Special Services	50.1	50.9	52.3	51.7	52.2	51.3	51.2	52.0	51.1	50.3	50.5	51.4	52.4	1.0
	Medical,Welfare,Public Health	42.2	41.8	44.6	44.8	44.2	43.4	42.4	43.6	41.8	43.2	44.4	43.2	44.7	1.5
	Education	44.4	38.4	42.2	41.4	40.7	43.8	46.4	45.6	42.6	44.4	43.7	43.1	46.3	3.2
	Other	46.5	48.6	47.5	49.2	48.2	47.9	47.2	47.6	47.2	48.1	47.5	48.5	49.1	0.6
	Total	50.0	50.8	51.6	51.6	51.7	50.8	50.4	50.8	50.8	50.9	50.2	50.4	51.0	0.6
Other		38.2	39.2	41.2	39.8	40.9	40.8	39.2	40.1	38.2	42.8	41.3	41.2	41.1	▲ 0.1

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Ratio to the Previous Month
Hokkaido	41.2	42.2	43.0	43.9	45.6	44.8	43.6	43.7	43.3	43.3	41.6	41.8	42.4	0.6
Tohoku	41.1	41.2	41.6	41.7	42.1	41.8	41.5	41.4	41.3	40.3	40.2	38.8	39.3	0.5
kitakanto	42.6	43.3	43.4	42.8	43.1	43.1	42.9	43.0	42.6	43.0	40.9	41.7	42.0	0.3
minamikanto	45.7	46.7	47.2	47.2	47.4	46.6	46.4	46.3	46.7	46.6	46.5	46.6	47.2	0.6
Hokuriku	42.1	42.5	44.0	43.7	43.6	43.1	42.5	42.1	42.3	42.5	40.0	39.8	41.4	1.6
Tokai	42.8	43.3	44.6	43.8	44.4	44.4	43.6	44.4	45.1	44.8	44.4	43.1	43.7	0.6
Kinki	43.6	44.3	45.4	43.9	43.8	43.6	43.2	43.7	44.1	44.6	43.6	43.2	43.6	0.4
Chugoku	44.1	44.8	44.9	44.7	45.3	44.3	44.1	44.9	44.2	43.9	44.3	43.2	43.1	▲ 0.1
Shikoku	40.0	40.7	43.0	41.7	42.6	41.8	41.2	41.4	41.3	42.5	42.2	41.0	41.1	0.1
Kyushu	46.4	48.1	48.5	48.2	48.0	48.3	47.7	48.6	48.7	49.0	48.3	48.1	48.5	0.4

Appendix

1.Research Subjects(Companies researched: 26,935; Valid responses: 11,268; Response rate: 41.8%)

1.Region

Hokkaido	518	Tokai	1,228
Tohoku	780	Kinki	1,851
kitaKanto	901	Chugoku	742
minamikanto	3,349	Shikoku	359
Hokuriku	579	Kyushu	961
		Total	11,268

2.Industry (10 Industries 51 Lines of business)

Agriculture,Forestry,Fisheries		116
Finance		175
Construction		1,690
Real Estate		466
Manufacturing (2,792)	Food,Beverages,Livestock Feed	317
	Textile,Textile Products,Clothing	127
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	215
	Pulp, Paper and Paper Products	93
	Publishing,Printing	199
	Chemical	357
	Steel,Nonferrous Metals,Mining	486
	General Machinery	463
	Electrical Machinery	293
	Transportation Machinery,Equipment	105
	Precision Machinery,Medical Instruments and Equipment	67
	Others	70
Wholesale (2,506)	Food,Beverages	326
	Textile,Textile Products,Clothing	156
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	284
	Paper Products,Stationery,Books	119
	Chemical	237
	Recycled Resources	28
	Steel,Nonferrous Metals,Mining Products	252
	Machinery,Equipment	798
	Others	306

Retail (763)	Food,Beverages	132
	Textile,Textile Products,Clothing	89
	Drugs,Sundries	54
	Furniture	22
	Electrical Household Appliances,Information Machinery and Equipment	52
	Motor Vehicles,Motor Vehicle Parts	121
	Special Merchandise	234
	Various Merchandise	46
	Others	13
Transportation,Warehousing		468
Service (2,251)	Restaurants	103
	Telecommunications	8
	Electricity,Gas,Water,Heat	13
	Leasing,Rentals	105
	Lodging, Hotels	90
	Recreation	109
	Broadcasting	19
	Maintenance,Guarding,Testing	237
	Advertising	111
	Information	539
	Labor Dispatching	84
	Special Services	392
	Medical,Welfare,Public Health	123
	Education	36
	Others	282
Others		41
Total		11,268

3.Size

Large Firms	1,662	14.7%
Small to Medium-sized Firms	9,606	85.3%
micro Firms	3,751	33.3%
Total	11,268	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 March 15 – 31 2024

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 27,000 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

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

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

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 midium-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 midium-sized corporations in Small to Medium-Sized Enterprises Basic Act.