

## Economic DI worsened for five months in a row

~ Due to the long holidays and election,  
as well as “construction” exerting downward pressure ~

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(Companies researched: 23,174; Valid responses: 9,775; Response rate: 42.2%;  
Survey start date: May 2002)

### < Overview of April 2019: Signs of entering a recession phase >

The economic diffusion index (DI) in April 2019 was 46.8, down 0.1 point from the previous month, and worsened for the fifth consecutive month. Cost increases against the backdrop of the long holidays, etc., and construction-related stagnation have affected the domestic economy, and signs of entering a recession continue to be seen.

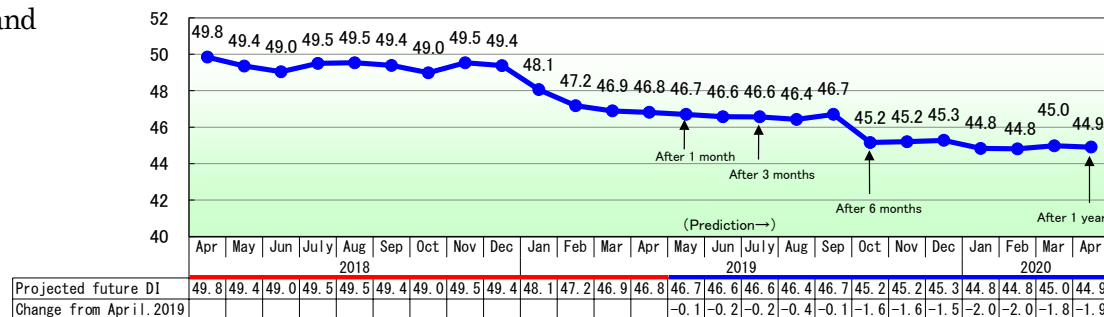
### < Future outlook: Uncertainty has further intensified >

The future domestic economy expects a slowdown in capital investment and exports, and sluggish consumer spending due to a consumption tax hike, and uncertainty has further intensified.

By industry : Construction stagnation and struggling to secure manpower due to the long holidays have become negative factors.

By size : Although minor deterioration persists in all scale, business confidence has tended to polarize.

By region : Five of the ten regions worsened, and the local economy continues to be weak.



\*: 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

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Ratio to the PrFDious Month
Total	49.8	49.4	49.0	49.5	49.5	49.4	49.0	49.5	49.4	48.1	47.2	46.9	46.8	▲ 0.1
Large Firms	52.2	51.6	51.3	51.8	51.6	51.4	51.4	51.4	51.7	50.6	49.8	49.8	49.7	▲ 0.1
Small to Medium-sized Firms	49.3	48.8	48.5	48.9	49.0	48.9	48.4	49.0	48.8	47.4	46.5	46.2	46.1	▲ 0.1
Micro Firms	48.1	48.1	47.6	48.1	48.4	48.4	47.9	48.2	48.2	47.0	46.5	46.3	46.2	▲ 0.1

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Ratio to the PrFDious Month	
Agriculture,Forestry,Fisheries	43.5	44.2	43.3	43.4	45.7	43.8	41.5	40.7	40.7	41.8	41.7	42.3	41.3	▲ 1.0	
Finance	49.4	47.8	47.2	49.5	47.5	48.5	46.2	47.1	46.5	46.1	45.2	45.9	45.1	▲ 0.8	
Construction	51.4	51.8	51.9	52.8	53.1	53.8	53.4	53.9	54.1	53.9	53.6	53.6	52.8	▲ 0.8	
Real Estate	50.9	51.0	51.1	50.5	51.1	50.7	49.3	49.3	49.7	49.1	47.5	47.4	48.7	1.3	
Manufacturing	Food,BEWerages,Livestock Feed	42.9	43.4	43.2	43.1	43.3	42.9	42.0	42.4	43.0	41.6	40.6	42.2	1.6	
	Textile,Textile Products,Clothing	42.4	42.7	42.8	42.1	41.8	41.9	41.4	41.6	41.3	37.7	38.8	39.2	39.0	▲ 0.2
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	45.7	45.8	45.9	46.6	45.6	45.2	46.1	47.5	48.3	47.1	45.5	44.1	45.7	1.6
	Pulp, Paper and Paper Products	46.3	43.1	45.2	44.5	44.5	45.4	44.3	46.5	49.3	44.6	45.2	44.1	45.7	1.6
	Publishing,Printing	36.2	36.3	33.7	35.0	33.8	34.6	33.2	34.8	35.0	33.5	33.2	34.4	35.6	1.2
	Chemical	52.3	51.8	51.6	52.2	51.3	51.4	50.4	51.4	50.2	48.1	46.3	45.4	46.2	0.8
	Steel,Nonferrous Metals,Mining	53.7	53.5	53.3	54.1	54.2	52.8	53.0	54.4	52.5	50.4	48.0	45.4	45.5	0.1
	General Machinery	60.9	60.6	60.3	60.7	59.9	59.1	58.1	57.5	55.9	52.5	51.4	48.9	49.0	0.1
	Electrical Machinery	54.9	53.4	53.4	52.8	52.0	53.3	52.9	52.5	50.5	49.2	47.6	46.0	44.7	▲ 1.3
	Transportation Machinery,Equipment	57.6	58.4	57.3	56.6	58.7	58.3	56.9	56.4	53.8	52.3	50.9	49.3	49.4	0.1
	Precision Machinery, Medical Instruments and Equipment	57.5	56.6	57.2	55.1	54.8	54.3	53.7	53.4	54.0	51.3	48.6	45.5	47.3	1.8
Other	43.2	44.3	42.5	41.5	40.7	42.6	42.8	41.8	42.8	42.7	42.1	45.3	40.2	▲ 5.1	
Total	51.0	50.8	50.4	50.6	50.2	50.0	49.5	50.0	49.2	47.1	45.8	44.5	44.8	0.3	
Wholesale	Food,BEWerages	42.9	42.8	42.4	40.9	41.9	41.3	40.6	41.9	41.1	39.4	40.5	41.1	41.1	0.6
	Textile,Textile Products,Clothing	37.2	36.8	37.3	35.9	37.3	35.1	35.3	33.5	34.3	34.0	32.0	33.6	33.2	▲ 0.4
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	45.0	43.3	44.4	44.8	44.2	44.8	43.9	46.9	47.8	47.4	46.5	46.4	45.6	▲ 0.8
	Paper Products,Stationery,Books	38.0	37.5	36.2	35.4	36.6	36.9	36.5	38.1	39.3	37.9	36.0	39.0	39.2	0.2
	Chemical	49.1	49.1	46.8	48.9	48.1	47.1	47.0	47.8	47.7	45.3	44.3	44.3	44.2	▲ 0.1
	Recycled Resources	49.5	46.6	50.6	48.2	51.2	47.8	49.4	44.0	47.6	39.8	45.6	48.6	41.0	▲ 7.6
	Steel,Nonferrous Metals, Mining Products	49.7	48.2	47.8	48.0	50.3	49.2	49.4	48.8	50.2	46.3	45.0	43.7	43.4	▲ 0.3
	Machinery,Equipment	51.1	50.6	50.0	50.9	51.0	50.2	49.6	49.9	50.0	48.4	46.9	46.5	45.9	▲ 0.6
	Other	45.4	43.4	43.3	43.2	42.4	42.4	43.4	44.0	43.9	41.9	41.2	42.5	42.7	0.2
	Total	47.0	46.1	45.7	45.9	46.3	45.6	45.4	46.0	46.3	44.4	43.6	43.7	43.3	▲ 0.4

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

		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Ratio to the PrFDious Month
Retail	Food,BEWerages	47.4	45.7	45.2	44.5	45.3	45.7	44.4	45.5	42.8	43.4	41.5	42.5	42.5	0.0
	Textile,Textile Products,Clothing	38.9	36.7	32.1	34.6	32.7	30.6	32.7	31.3	34.0	30.9	32.7	38.9	39.1	0.2
	Drugs,Sundries	44.9	47.1	42.9	41.0	41.3	40.2	38.4	42.4	44.4	44.8	39.7	39.7	40.9	1.2
	Furniture	36.7	35.2	38.3	38.3	37.0	37.0	37.9	37.5	35.4	38.9	33.3	33.3	38.9	5.6
	Electrical Household Appliances, Information Machinery and Equipment	46.5	40.2	41.9	45.5	43.7	42.8	40.6	39.7	43.1	39.0	40.7	38.9	41.7	2.8
	Motor Vehicles,Motor Vehicle Parts	48.2	43.5	42.9	45.0	43.5	46.1	40.8	41.5	42.2	44.6	44.3	45.2	43.3	▲ 1.9
	Special Merchandise	41.0	39.7	39.7	40.7	39.1	39.1	39.7	43.3	43.2	41.9	41.3	40.8	42.1	1.3
	Various Merchandise	49.6	44.1	44.2	48.2	46.5	43.6	46.4	43.6	44.7	42.9	41.9	43.5	43.3	▲ 0.2
	Other	36.1	41.7	33.3	36.1	40.5	38.9	41.7	38.1	35.7	35.7	31.3	33.3	43.8	10.5
	Total	44.6	42.0	41.3	42.7	41.7	41.6	40.9	42.1	42.3	41.6	40.8	41.4	42.1	0.7
Transportation,Warehousing		50.0	49.3	48.7	50.3	50.3	49.5	48.7	50.1	50.5	49.1	48.2	48.1	48.2	0.1
Service	Restaurants	44.7	45.0	42.5	42.7	42.5	39.3	37.0	37.6	40.7	37.9	41.0	37.8	42.9	5.1
	Postal,Telecommunications	56.9	50.0	54.5	55.6	55.0	56.1	59.7	57.1	54.5	60.0	57.6	62.1	57.6	▲ 4.5
	Electricity,Gas,Water,Heat	54.2	56.3	57.4	56.3	57.4	59.3	56.7	57.1	61.9	57.4	57.4	56.3	58.3	2.0
	Leasing,Rentals	55.2	51.5	52.9	54.5	54.2	55.9	56.5	57.1	55.7	55.0	52.0	52.7	54.1	1.4
	Lodging, Hotels	51.7	50.6	50.0	45.2	46.6	43.6	41.0	45.5	45.7	44.9	44.2	42.3	41.0	▲ 1.3
	Recreation	41.5	39.5	40.9	39.8	40.0	39.9	35.5	40.6	39.3	38.9	37.8	41.0	38.8	▲ 2.2
	Broadcasting	39.7	37.2	40.3	42.3	38.5	41.7	40.5	40.0	36.7	40.5	44.4	43.3	41.7	▲ 1.6
	Maintenance,Guarding,Testing	49.9	50.2	48.5	50.5	52.3	51.8	51.4	51.6	50.7	50.7	51.0	50.0	48.1	▲ 1.9
	Advertising	44.2	43.0	40.2	41.7	41.4	42.3	42.3	41.2	41.7	40.4	40.1	40.3	40.7	0.4
	Information	59.4	58.4	58.8	58.7	59.1	59.7	59.8	60.7	59.3	60.1	59.0	60.3	59.6	▲ 0.7
	Labor Dispatching	57.8	59.0	59.1	59.3	59.2	58.0	59.4	58.8	59.0	57.2	54.6	53.8	53.5	▲ 0.3
	Special Services	53.6	53.7	54.6	54.8	55.3	53.9	55.0	54.6	53.6	53.5	52.8	52.5	51.5	▲ 1.0
	Medical,Welfare,Public Health	48.8	48.0	46.8	46.1	48.2	48.3	48.8	48.3	47.4	47.5	46.5	47.1	46.9	▲ 0.2
	Education	42.4	42.8	40.6	42.6	46.5	46.4	43.8	43.5	46.2	38.5	44.7	45.8	44.2	▲ 1.6
	Other	50.7	50.8	50.0	51.3	50.2	51.6	49.3	49.8	52.0	50.2	49.7	49.0	50.2	1.2
Total	52.8	52.1	52.0	52.4	52.8	52.9	52.9	53.2	52.7	52.4	51.7	51.9	51.6	▲ 0.3	
Other		49.2	50.0	46.3	46.1	45.0	46.3	46.2	45.3	46.6	44.1	48.3	45.2	44.9	▲ 0.3

		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Ratio to the PrFDious Month
Hokkaido		46.2	45.8	46.5	46.6	47.5	44.3	43.9	45.2	45.2	43.9	44.4	44.6	45.5	0.9
Tohoku		45.7	45.0	44.2	46.8	46.6	46.4	45.9	46.5	45.4	44.4	43.1	42.8	43.1	0.3
kitakanto		50.7	49.8	49.4	50.6	50.0	50.0	49.0	48.5	48.5	45.8	44.8	44.7	44.3	▲ 0.4
minamikanto		50.7	50.3	50.2	50.3	50.0	50.4	49.8	50.4	50.1	49.0	48.1	47.8	47.7	▲ 0.1
Hokuriku		48.7	48.5	48.7	49.4	49.8	49.3	49.4	49.3	48.6	47.7	46.3	45.3	45.3	0.0
Tokai		51.9	51.9	50.9	51.6	51.8	51.4	51.3	51.8	51.8	50.1	48.6	48.4	48.0	▲ 0.4
Kinki		49.7	48.8	48.4	48.6	49.4	48.9	48.8	49.7	49.7	48.4	47.6	47.3	46.9	▲ 0.4
Chugoku		48.7	48.7	47.9	47.0	47.1	48.0	48.6	48.5	48.7	47.7	47.2	46.7	47.2	0.5
Shikoku		48.2	47.8	47.2	47.5	47.9	47.0	47.6	47.2	48.4	46.8	47.6	46.8	46.9	0.1
Kyushu		51.4	50.4	49.8	50.9	50.6	50.8	49.1	50.6	50.7	49.7	48.5	48.6	48.3	▲ 0.3

## Appendix

### 1. Research Subjects (Companies researched: 23,174; Valid responses: 9,775; Response rate: 42.2%)

Appendix

#### 1. Region

Hokkaido	497	Tokai	1,076
Tohoku	627	Kinki	1,630
kitaKanto	748	Chugoku	519
minamikanto	3,148	Shikoku	287
Hokuriku	544	Kyushu	699
		<b>Total</b>	<b>9,775</b>

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

Agriculture, Forestry, Fisheries		46
Finance		116
Construction		1,473
Real Estate		303
Manufacturing 3,223	Food, Beverages, Livestock Feed	318
	Textile, Textile Products, Clothing	103
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	210
	Pulp, Paper and Paper Products	96
	Publishing, Printing	175
	Chemical	392
	Steel, Nonferrous Metals, Mining	479
	General Machinery	429
	Electrical Machinery	314
	Transportation Machinery, Equipment	90
Precision Machinery, Medical Instruments and Equipment	74	
Others	88	
Wholesale 3,959	Food, Beverages	333
	Textile, Textile Products, Clothing	176
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	313
	Paper Products, Stationery, Books	91
	Chemical	265
	Recycled Resources	37
	Steel, Nonferrous Metals, Mining Products	282
	Machinery, Equipment	852
Others	325	

Retail 480	Food, Beverages	62
	Textile, Textile Products, Clothing	29
	Drugs, Sundries	22
	Furniture	9
	Electrical Household Appliances, Information Machinery and Equipment	34
	Motor Vehicles, Motor Vehicle Parts	65
	Special Merchandise	127
	Various Merchandise	42
Others	8	
Transportation, Warehousing		427
Service 1,384	Restaurants	42
	Telecommunications	11
	Electricity, Gas, Water, Heat	10
	Leasing, Rentals	109
	Lodging, Hotels	26
	Recreation	55
	Broadcasting	16
	Maintenance, Guarding, Testing	156
	Advertising	97
	Information	425
	Labor Dispatching	53
	Special Services	251
	Medical, Welfare, Public Health	96
Education	26	
Others	158	
Others		39
<b>Total</b>		<b>9,775</b>

#### 3. Size

Large Firms	1,918	19.6%
Small to Medium-sized Firms	7,857	80.4%
micro Firms	2,625	26.9%
<b>Total</b>	<b>9,775</b>	<b>100.0%</b>

## 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 April 15 – 30 2019

### 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 <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.