

The domestic economy worsened for the first time in two months

~ High raw material prices and insufficient price pass-through exerted downward pressure on the economy ~

(Companies researched: 27,052; Valid responses: 11,222; Response rate: 41.5%; Survey start date: May 2002)

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< Trend in April 2024: Temporary Setback >

The Economic Diffusion Index (DI) in April 2024 declined by 0.3 points from the previous month to 44.1, deteriorating for the first time in two months.

The domestic economy retreated for the first time in two months, partly due to the rapid depreciation of the yen and increased cost burdens, which worsened the corporate earnings environment.

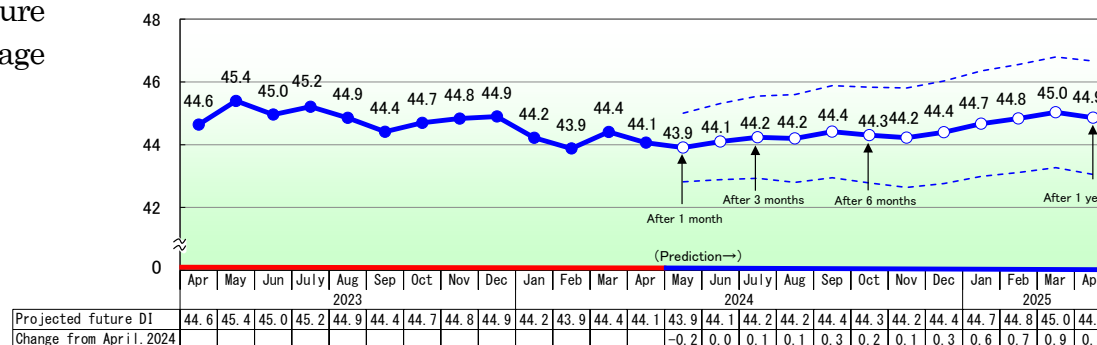
< Future outlook: Gradual Pickup >

Although there is uncertainty in foreign exchange rates, the future economy is expected to gradually pick up due to factors such as wage increases.

By industry: Worsened in 6 out of 10 industries, burdened by high raw material prices, etc.

By scale: All scales worsened for the first time in two months due to the increasing severity of the corporate earnings environment.

By region: Worsened in 6 out of 10 regions. The tourism industry was strong, but there were concerns about widening intra-regional disparities.



*: 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

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Ratio to the Previous Month
Total	44.6	45.4	45.0	45.2	44.9	44.4	44.7	44.8	44.9	44.2	43.9	44.4	44.1	▲ 0.3
Large Firms	47.3	48.1	47.7	48.6	48.0	47.8	47.9	48.4	48.1	47.9	47.7	48.0	47.9	▲ 0.1
Small to Medium-sized Firms	44.2	44.9	44.5	44.6	44.3	43.8	44.1	44.2	44.3	43.6	43.2	43.8	43.4	▲ 0.4
Micro Firms	42.9	43.9	43.6	43.4	43.5	43.0	43.4	43.1	43.3	42.6	42.4	42.9	42.3	▲ 0.6

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	42.2	44.8	46.7	42.5	43.0	42.1	43.0	40.1	40.5	40.3	41.2	42.4	42.0	▲ 0.4	
Finance	45.0	47.8	48.1	47.4	48.8	46.8	47.3	48.0	47.0	47.7	47.7	49.2	48.8	▲ 0.4	
Construction	45.6	46.9	46.8	47.8	47.4	47.1	47.5	47.8	47.2	47.7	47.5	47.0	46.6	▲ 0.4	
Real Estate	49.6	50.7	50.3	48.8	49.6	48.5	48.7	47.9	47.5	48.1	48.3	49.3	49.3	0.0	
Manufacturing	Food,BEWerages,Livestock Feed	42.0	43.7	43.6	43.1	44.5	42.6	43.4	44.0	44.6	43.6	43.4	44.8	44.4	▲ 0.4
	Textile,Textile Products,Clothing	41.0	42.1	42.0	43.6	42.6	43.0	41.5	40.8	40.1	37.9	37.7	39.0	38.1	▲ 0.9
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	39.7	39.0	38.4	37.9	38.2	39.0	40.3	41.5	40.3	39.9	38.1	38.7	38.0	▲ 0.7
	Pulp, Paper and Paper Products	37.6	38.6	35.8	36.1	36.1	36.9	37.7	37.2	38.5	37.3	35.7	36.4	36.4	0.0
	Publishing,Printing	33.9	35.4	33.9	33.4	33.9	32.3	32.5	33.1	34.2	32.4	34.6	35.3	34.1	▲ 1.2
	Chemical	41.0	40.6	41.6	41.8	41.2	41.2	41.4	42.7	42.2	42.6	39.9	41.2	40.9	▲ 0.3
	Steel,Nonferrous Metals,Mining	41.1	40.9	40.4	40.7	39.9	39.8	41.5	41.9	42.0	39.7	38.3	38.3	38.0	▲ 0.3
	General Machinery	43.8	42.9	41.9	42.9	42.8	41.2	40.7	40.5	40.6	39.3	40.6	39.7	39.6	▲ 0.1
	Electrical Machinery	43.2	43.1	43.9	42.9	42.8	42.4	42.3	43.0	42.5	43.6	42.5	41.4	40.7	▲ 0.7
	Transportation Machinery,Equipment	41.5	43.0	44.6	46.2	46.2	48.3	46.9	47.2	44.7	41.6	39.3	41.6	40.2	▲ 1.4
	Precision Machinery,Medical Instruments and Equipment	45.6	46.2	46.8	45.4	42.9	44.2	42.9	43.4	44.3	43.9	43.3	45.5	42.9	▲ 2.6
	Other	41.9	42.7	42.3	43.8	40.3	40.5	39.4	40.7	39.9	41.9	44.7	45.5	42.5	▲ 3.0
Total	41.4	41.5	41.3	41.5	41.2	40.8	41.1	41.6	41.5	40.4	39.8	40.2	39.7	▲ 0.5	
Wholesale	Food,BEWerages	44.3	45.2	44.9	46.4	47.1	45.8	43.3	44.5	45.7	43.1	43.7	44.5	44.6	0.1
	Textile,Textile Products,Clothing	41.9	43.1	39.4	39.5	38.0	38.1	36.1	36.0	36.3	36.9	36.8	37.1	35.2	▲ 1.9
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	39.1	38.4	37.3	38.4	38.0	38.1	38.0	38.3	38.9	38.0	37.8	37.6	37.8	0.2
	Paper Products,Stationery,Books	37.9	40.3	36.5	38.2	38.6	38.5	38.4	40.1	40.7	39.6	38.2	40.1	38.4	▲ 1.7
	Chemical	44.9	46.8	45.3	45.2	45.1	44.5	44.9	45.1	45.4	44.4	42.2	43.2	41.8	▲ 1.4
	Recycled Resources	43.5	40.4	38.9	42.2	40.9	43.9	45.2	42.4	43.8	42.9	41.7	39.9	40.9	1.0
	Steel,Nonferrous Metals,Mining Products	37.9	38.1	37.5	37.9	34.7	36.7	37.0	38.1	38.2	37.3	34.9	35.3	36.5	1.2
	Machinery,Equipment	45.2	46.0	45.4	45.3	44.7	43.8	43.9	44.1	44.7	43.7	43.4	43.5	43.6	0.1
	Other	43.9	44.9	43.2	42.6	42.7	41.7	43.1	43.2	42.9	42.0	41.1	42.5	40.3	▲ 2.2
	Total	42.9	43.7	42.5	42.9	42.3	41.9	41.7	42.1	42.7	41.6	40.9	41.4	41.0	▲ 0.4

Economic Diffusion Index (Economic DI)2/2

		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Ratio to the Previous Month
Retail	Food,BEVerages	49.1	49.7	46.6	46.2	47.8	46.5	45.5	44.9	46.4	45.5	43.8	45.3	44.7	▲ 0.6
	Textile,Textile Products,Clothing	36.6	38.3	40.4	41.4	41.2	36.6	42.7	39.3	40.0	36.3	40.2	36.5	40.4	3.9
	Drugs,Sundries	47.8	47.4	45.9	45.3	42.6	42.5	43.8	44.7	46.1	45.8	45.4	44.1	41.8	▲ 2.3
	Furniture	38.1	34.7	33.3	32.5	30.2	36.3	27.2	32.4	32.7	34.0	32.1	30.3	33.3	3.0
	Electrical Household Appliances, Information Machinery and Equipment	37.8	40.5	38.6	41.3	40.2	42.7	42.5	44.0	42.7	41.8	42.3	45.8	44.3	▲ 1.5
	Motor Vehicles,Motor Vehicle Parts	44.0	41.5	40.6	40.9	42.0	41.7	42.4	40.2	39.7	42.4	41.2	40.9	41.4	0.5
	Special Merchandise	39.0	39.4	40.1	38.8	38.7	39.1	39.4	38.1	38.3	37.8	37.7	40.2	40.2	0.0
	Various Merchandise	47.8	45.8	44.9	48.1	48.5	45.9	45.3	44.3	44.1	42.7	40.9	44.6	42.9	▲ 1.7
	Other	41.7	41.1	45.8	46.2	42.2	47.6	46.2	47.2	51.3	40.3	44.0	39.7	44.4	4.7
Total		42.5	42.4	42.0	41.9	41.8	41.4	41.9	41.2	41.5	40.8	40.6	41.4	41.7	0.3
Transportation,Warehousing		42.1	43.4	42.2	43.5	43.3	42.8	44.1	43.8	44.5	43.5	41.9	43.1	43.1	0.0
Service	Restaurants	50.8	56.7	53.6	55.6	52.2	51.8	47.4	49.4	54.0	50.3	48.0	51.3	52.0	0.7
	Postal,Telecommunications	52.8	58.3	53.3	60.4	54.8	57.4	59.5	57.1	54.2	56.1	51.9	54.2	61.7	7.5
	Electricity,Gas,Water,Heat	38.9	44.0	44.1	44.8	43.5	46.3	44.1	50.0	42.7	41.7	43.6	43.6	46.9	3.3
	Leasing,Rentals	50.5	49.7	52.1	49.8	49.0	49.2	52.5	52.9	51.6	50.3	50.5	51.7	49.4	▲ 2.3
	Lodging, Hotels	62.1	59.8	55.1	56.6	55.5	57.6	59.7	64.3	56.9	51.3	55.3	60.6	60.4	▲ 0.2
	Recreation	48.9	50.4	47.6	49.3	48.8	46.2	46.3	44.8	47.9	46.3	46.3	47.2	46.3	▲ 0.9
	Broadcasting	44.7	47.4	43.1	44.7	46.1	45.6	42.6	45.6	43.3	44.1	47.1	47.4	52.8	5.4
	Maintenance,Guarding,Testing	45.8	47.3	48.0	48.4	47.4	47.8	46.8	49.0	46.9	47.3	46.7	46.7	46.0	▲ 0.7
	Advertising	46.6	45.0	45.0	44.8	45.2	45.4	45.2	45.6	45.1	46.2	47.0	45.5	47.5	2.0
	Information	55.8	56.2	56.8	57.0	56.4	55.5	56.0	55.4	56.3	56.1	55.7	55.3	55.4	0.1
	Labor Dispatching	49.6	50.7	52.0	52.0	50.9	48.9	50.9	52.3	50.0	48.8	50.6	49.8	50.6	0.8
	Special Services	50.9	52.3	51.7	52.2	51.3	51.2	52.0	51.1	50.3	50.5	51.4	52.4	51.7	▲ 0.7
	Medical,Welfare,Public Health	41.8	44.6	44.8	44.2	43.4	42.4	43.6	41.8	43.2	44.4	43.2	44.7	42.9	▲ 1.8
	Education	38.4	42.2	41.4	40.7	43.8	46.4	45.6	42.6	44.4	43.7	43.1	46.3	44.6	▲ 1.7
Other	48.6	47.5	49.2	48.2	47.9	47.2	47.6	47.2	48.1	47.5	48.5	49.1	49.1	0.0	
Total		50.8	51.6	51.6	51.7	50.8	50.4	50.8	50.8	50.9	50.2	50.4	51.0	50.9	▲ 0.1
Other		39.2	41.2	39.8	40.9	40.8	39.2	40.1	38.2	42.8	41.3	41.2	41.1	42.1	1.0

		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Ratio to the Previous Month
Hokkaido		42.2	43.0	43.9	45.6	44.8	43.6	43.7	43.3	43.3	41.6	41.8	42.4	42.8	0.4
Tohoku		41.2	41.6	41.7	42.1	41.8	41.5	41.4	41.3	40.3	40.2	38.8	39.3	39.2	▲ 0.1
kitakanto		43.3	43.4	42.8	43.1	43.1	42.9	43.0	42.6	43.0	40.9	41.7	42.0	41.4	▲ 0.6
minamikanto		46.7	47.2	47.2	47.4	46.6	46.4	46.3	46.7	46.6	46.5	46.6	47.2	46.6	▲ 0.6
Hokuriku		42.5	44.0	43.7	43.6	43.1	42.5	42.1	42.3	42.5	40.0	39.8	41.4	42.4	1.0
Tokai		43.3	44.6	43.8	44.4	44.4	43.6	44.4	45.1	44.8	44.4	43.1	43.7	43.2	▲ 0.5
Kinki		44.3	45.4	43.9	43.8	43.6	43.2	43.7	44.1	44.6	43.6	43.2	43.6	43.7	0.1
Chugoku		44.8	44.9	44.7	45.3	44.3	44.1	44.9	44.2	43.9	44.3	43.2	43.1	42.6	▲ 0.5
Shikoku		40.7	43.0	41.7	42.6	41.8	41.2	41.4	41.3	42.5	42.2	41.0	41.1	41.2	0.1
Kyushu		48.1	48.5	48.2	48.0	48.3	47.7	48.6	48.7	49.0	48.3	48.1	48.5	47.6	▲ 0.9

Appendix

1. Research Subjects (Companies researched: 27,052; Valid responses: 11,222; Response rate: 41.5%)

1. Region

Hokkaido	487	Tokai	1,233
Tohoku	763	Kinki	1,864
kitaKanto	906	Chugoku	748
minamikanto	3,295	Shikoku	379
Hokuriku	578	Kyushu	969
		Total	11,222

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		108
Finance		158
Construction		1,750
Real Estate		455
Manufacturing (2,808)	Food, Beverages, Livestock Feed	320
	Textile, Textile Products, Clothing	137
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	203
	Pulp, Paper and Paper Products	82
	Publishing, Printing	199
	Chemical	374
	Steel, Nonferrous Metals, Mining	497
	General Machinery	448
	Electrical Machinery	307
	Transportation Machinery, Equipment	104
Precision Machinery, Medical Instruments and Equipment	68	
Others	69	
Wholesale (2,495)	Food, Beverages	319
	Textile, Textile Products, Clothing	152
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	283
	Paper Products, Stationery, Books	119
	Chemical	237
	Recycled Resources	33
	Steel, Nonferrous Metals, Mining Products	250
	Machinery, Equipment	790
	Others	312

Retail (756)	Food, Beverages	138
	Textile, Textile Products, Clothing	82
	Drugs, Sundries	51
	Furniture	24
	Electrical Household Appliances, Information Machinery and Equipment	56
	Motor Vehicles, Motor Vehicle Parts	114
	Special Merchandise	227
	Various Merchandise	52
Others	12	
Transportation, Warehousing		449
Service (2,207)	Restaurants	108
	Telecommunications	10
	Electricity, Gas, Water, Heat	16
	Leasing, Rentals	105
	Lodging, Hotels	85
	Recreation	98
	Broadcasting	18
	Maintenance, Guarding, Testing	231
	Advertising	108
	Information	546
	Labor Dispatching	82
	Special Services	366
	Medical, Welfare, Public Health	124
	Education	37
Others	273	
Others		36
Total		11,222

3. Size

Large Firms	1,769	15.8%
Small to Medium-sized Firms	9,453	84.2%
micro Firms	3,701	33.0%
Total	11,222	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 April 16 – 30 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

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

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

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.