The domestic economy improved
for two consecutive months
～ In addition to the tourism industry, manufacturing industries, including semiconductor-related businesses pushed up the economy ～

(Companies researched: 27,247; Valid responses: 11,414; Response rate: 41.9%; Survey start date: May 2002)

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< Trend in August 2024: Improvement for two consecutive months >

The economic diffusion index (DI) in August 2024 was 44.3, up 0.5 points from the previous month, marking the second consecutive month of improvement.

The domestic economy was boosted by the tourism industry and seasonal demand, lifting the overall business sentiment.
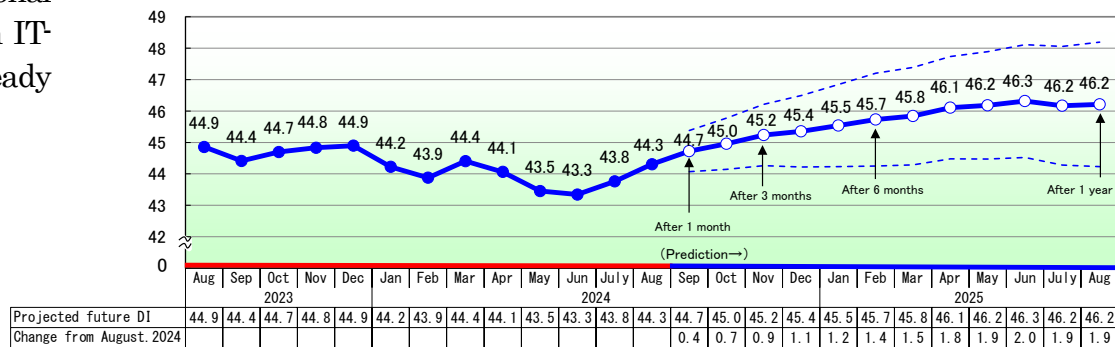
< Future outlook: Steady growth>

Although there are uncertain factors such as the international situation, there are also positive factors, including investments in IT-related businesses, which are expected to contribute to the steady progress of the economy.

By industry: Improvement in 7 industries with "manufacturing" as the main driver but impacted by factors such as typhoons and earthquakes.

By scale: "Small to medium-sized firms" leading the way, with manufacturing and construction industries driving the growth.

By region: Improvement in 9 out of 10 regions, with tourism-related businesses contributing positively, but hindered by adverse weather conditions.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Projected future DI	44.9	44.4	44.7	44.8	44.9	44.2	43.9	44.4	44.1	43.5	43.3	43.8	44.3	44.7	45.0	45.2	45.4	45.5	45.7	45.8	46.1	46.2	46.3	46.2	46.2
Change from August.2024															0.4	0.7	0.9	1.1	1.2	1.4	1.5	1.8	1.9	2.0	1.9	1.9

*: 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

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Ratio to the Previous Month
Total	44.9	44.4	44.7	44.8	44.9	44.2	43.9	44.4	44.1	43.5	43.3	43.8	44.3	0.5
Large Firms	48.0	47.8	47.9	48.4	48.1	47.9	47.7	48.0	47.9	47.9	48.0	48.2	48.2	0.0
Small to Medium-sized Firms	44.3	43.8	44.1	44.2	44.3	43.6	43.2	43.8	43.4	42.6	42.5	42.9	43.6	0.7
Micro Firms	43.5	43.0	43.4	43.1	43.3	42.6	42.4	42.9	42.3	41.2	41.6	41.8	42.5	0.7

		Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Ratio to the Previous Month
Agriculture,Forestry,Fisheries		43.0	42.1	43.0	40.1	40.5	40.3	41.2	42.4	42.0	43.7	41.9	41.2	43.3	2.1
Finance		48.8	46.8	47.3	48.0	47.0	47.7	47.7	49.2	48.8	48.0	47.6	48.5	48.1	▲ 0.4
Construction		47.4	47.1	47.5	47.8	47.2	47.7	47.5	47.0	46.6	46.0	46.4	46.9	47.3	0.4
Real Estate		49.6	48.5	48.7	47.9	47.5	48.1	48.3	49.3	49.3	47.7	48.0	48.2	47.5	▲ 0.7
Manufacturing	Food,BEWerages,Livestock Feed	44.5	42.6	43.4	44.0	44.6	43.6	43.4	44.8	44.4	42.9	42.7	42.7	43.5	0.8
	Textile,Textile Products,Clothing	42.6	43.0	41.5	40.8	40.1	37.9	37.7	39.0	38.1	37.4	37.3	36.1	36.5	0.4
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.2	39.0	40.3	41.5	40.3	39.9	38.1	38.7	38.0	37.9	37.5	39.0	39.5	0.5
	Pulp, Paper and Paper Products	36.1	36.9	37.7	37.2	38.5	37.3	35.7	36.4	36.4	35.3	34.4	36.0	36.7	0.7
	Publishing,Printing	33.9	32.3	32.5	33.1	34.2	32.4	34.6	35.3	34.1	33.3	32.8	32.8	34.4	1.6
	Chemical	41.2	41.2	41.4	42.7	42.2	42.6	39.9	41.2	40.9	41.0	41.0	41.0	42.6	1.6
	Steel,Nonferrous Metals,Mining	39.9	39.8	41.5	41.9	42.0	39.7	38.3	38.3	38.0	36.5	36.4	37.4	39.0	1.6
	General Machinery	42.8	41.2	40.7	40.5	40.6	39.3	40.6	39.7	39.6	39.9	39.8	41.2	41.9	0.7
	Electrical Machinery	42.8	42.4	42.3	43.0	42.5	43.6	42.5	41.4	40.7	41.0	42.5	42.5	42.5	0.0
	Transportation Machinery,Equipment	46.2	48.3	46.9	47.2	44.7	41.6	39.3	41.6	40.2	41.0	42.1	44.2	43.5	▲ 0.7
	Precision Machinery,Medical Instruments and Equipment	42.9	44.2	42.9	43.4	44.3	43.9	43.3	45.5	42.9	41.9	46.5	44.5	43.9	▲ 0.6
	Other	40.3	40.5	39.4	40.7	39.9	41.9	44.7	45.5	42.5	41.3	43.0	40.8	42.3	1.5
	Total	41.2	40.8	41.1	41.6	41.5	40.4	39.8	40.2	39.7	39.2	39.4	39.8	40.7	0.9
Wholesale	Food,BEWerages	47.1	45.8	43.3	44.5	45.7	43.1	43.7	44.5	44.6	42.9	42.5	42.3	43.8	1.5
	Textile,Textile Products,Clothing	38.0	38.1	36.1	36.0	36.3	36.9	36.8	37.1	35.2	36.3	36.3	35.8	36.5	0.7
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.0	38.1	38.0	38.3	38.9	38.0	37.8	37.6	37.8	36.0	36.4	37.5	38.2	0.7
	Paper Products,Stationery,Books	38.6	38.5	38.4	40.1	40.7	39.6	38.2	40.1	38.4	36.4	35.2	36.3	37.2	0.9
	Chemical	45.1	44.5	44.9	45.1	45.4	44.4	42.2	43.2	41.8	42.9	41.4	43.4	44.5	1.1
	Recycled Resources	40.9	43.9	45.2	42.4	43.8	42.9	41.7	39.9	40.9	44.3	43.1	44.4	40.5	▲ 3.9
	Steel,Nonferrous Metals,Mining Products	34.7	36.7	37.0	38.1	38.2	37.3	34.9	35.3	36.5	34.7	34.6	36.2	34.7	▲ 1.5
	Machinery,Equipment	44.7	43.8	43.9	44.1	44.7	43.7	43.4	43.5	43.6	43.4	43.4	43.5	44.0	0.5
	Other	42.7	41.7	43.1	43.2	42.9	42.0	41.1	42.5	40.3	41.1	39.9	40.8	41.8	1.0
	Total	42.3	41.9	41.7	42.1	42.7	41.6	40.9	41.4	41.0	40.5	40.1	40.7	41.3	0.6

Economic Diffusion Index (Economic DI)2/2

		Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Ratio to the Previous Month
Retail	Food,BEWerages	47.8	46.5	45.5	44.9	46.4	45.5	43.8	45.3	44.7	43.2	42.6	41.3	44.0	2.7
	Textile,Textile Products,Clothing	41.2	36.6	42.7	39.3	40.0	36.3	40.2	36.5	40.4	40.2	36.3	36.9	37.2	0.3
	Drugs,Sundries	42.6	42.5	43.8	44.7	46.1	45.8	45.4	44.1	41.8	42.1	41.0	41.4	40.3	▲ 1.1
	Furniture	30.2	36.3	27.2	32.4	32.7	34.0	32.1	30.3	33.3	28.7	27.2	35.8	30.7	▲ 5.1
	Electrical Household Appliances, Information Machinery and Equipment	40.2	42.7	42.5	44.0	42.7	41.8	42.3	45.8	44.3	40.8	43.2	46.1	46.1	0.0
	Motor Vehicles,Motor Vehicle Parts	42.0	41.7	42.4	40.2	39.7	42.4	41.2	40.9	41.4	42.3	43.4	39.2	39.0	▲ 0.2
	Special Merchandise	38.7	39.1	39.4	38.1	38.3	37.8	37.7	40.2	40.2	38.7	38.6	39.7	40.0	0.3
	Various Merchandise	48.5	45.9	45.3	44.3	44.1	42.7	40.9	44.6	42.9	44.6	44.4	45.5	43.9	▲ 1.6
	Other	42.2	47.6	46.2	47.2	51.3	40.3	44.0	39.7	44.4	47.6	44.4	42.2	37.8	▲ 4.4
	Total	41.8	41.4	41.9	41.2	41.5	40.8	40.6	41.4	41.7	40.7	40.3	40.3	40.5	0.2
Transportation,Warehousing		43.3	42.8	44.1	43.8	44.5	43.5	41.9	43.1	43.1	43.3	43.4	42.6	45.0	2.4
Service	Restaurants	52.2	51.8	47.4	49.4	54.0	50.3	48.0	51.3	52.0	49.4	48.1	49.4	52.5	3.1
	Postal,Telecommunications	54.8	57.4	59.5	57.1	54.2	56.1	51.9	54.2	61.7	56.7	52.8	51.9	50.0	▲ 1.9
	Electricity,Gas,Water,Heat	43.5	46.3	44.1	50.0	42.7	41.7	43.6	43.6	46.9	40.7	41.7	43.6	37.5	▲ 6.1
	Leasing,Rentals	49.0	49.2	52.5	52.9	51.6	50.3	50.5	51.7	49.4	49.7	49.0	48.6	50.2	1.6
	Lodging, Hotels	55.5	57.6	59.7	64.3	56.9	51.3	55.3	60.6	60.4	55.1	52.1	53.8	53.4	▲ 0.4
	Recreation	48.8	46.2	46.3	44.8	47.9	46.3	46.3	47.2	46.3	46.2	44.6	47.5	43.2	▲ 4.3
	Broadcasting	46.1	45.6	42.6	45.6	43.3	44.1	47.1	47.4	52.8	45.1	45.6	47.2	42.2	▲ 5.0
	Maintenance,Guarding,Testing	47.4	47.8	46.8	49.0	46.9	47.3	46.7	46.7	46.0	47.5	46.1	47.3	48.2	0.9
	Advertising	45.2	45.4	45.2	45.6	45.1	46.2	47.0	45.5	47.5	46.1	43.6	43.9	43.6	▲ 0.3
	Information	56.4	55.5	56.0	55.4	56.3	56.1	55.7	55.3	55.4	54.5	54.1	54.1	53.9	▲ 0.2
	Labor Dispatching	50.9	48.9	50.9	52.3	50.0	48.8	50.6	49.8	50.6	48.6	48.5	49.2	49.2	0.0
	Special Services	51.3	51.2	52.0	51.1	50.3	50.5	51.4	52.4	51.7	49.9	50.5	51.8	50.6	▲ 1.2
	Medical,Welfare,Public Health	43.4	42.4	43.6	41.8	43.2	44.4	43.2	44.7	42.9	43.6	44.4	44.0	44.2	0.2
	Education	43.8	46.4	45.6	42.6	44.4	43.7	43.1	46.3	44.6	43.9	47.4	50.9	47.7	▲ 3.2
	Other	47.9	47.2	47.6	47.2	48.1	47.5	48.5	49.1	49.1	47.5	47.2	48.0	48.6	0.6
	Total	50.8	50.4	50.8	50.8	50.9	50.2	50.4	51.0	50.9	49.7	49.2	50.0	49.8	▲ 0.2
Other		40.8	39.2	40.1	38.2	42.8	41.3	41.2	41.1	42.1	37.8	37.5	40.1	41.3	1.2

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Ratio to the Previous Month
Hokkaido	44.8	43.6	43.7	43.3	43.3	41.6	41.8	42.4	42.8	42.4	42.8	44.1	45.0	0.9
Tohoku	41.8	41.5	41.4	41.3	40.3	40.2	38.8	39.3	39.2	38.6	39.2	39.1	39.7	0.6
kitakanto	43.1	42.9	43.0	42.6	43.0	40.9	41.7	42.0	41.4	40.9	40.7	41.2	42.1	0.9
minamikanto	46.6	46.4	46.3	46.7	46.6	46.5	46.6	47.2	46.6	45.8	45.6	46.1	46.6	0.5
Hokuriku	43.1	42.5	42.1	42.3	42.5	40.0	39.8	41.4	42.4	42.3	40.7	41.4	41.8	0.4
Tokai	44.4	43.6	44.4	45.1	44.8	44.4	43.1	43.7	43.2	43.0	43.3	43.9	43.7	▲ 0.2
Kinki	43.6	43.2	43.7	44.1	44.6	43.6	43.2	43.6	43.7	42.6	42.5	42.9	43.5	0.6
Chugoku	44.3	44.1	44.9	44.2	43.9	44.3	43.2	43.1	42.6	42.8	42.6	43.6	43.9	0.3
Shikoku	41.8	41.2	41.4	41.3	42.5	42.2	41.0	41.1	41.2	40.2	39.9	39.4	40.5	1.1
Kyushu	48.3	47.7	48.6	48.7	49.0	48.3	48.1	48.5	47.6	46.4	46.5	46.2	47.3	1.1

Appendix

1.Research Subjects(Companies researched: 27,247; Valid responses: 11,414; Response rate: 41.9%)

1.Region

Region		Region	
Hokkaido	500	Tokai	1,265
Tohoku	781	Kinki	1,868
kitaKanto	903	Chugoku	769
minamikanto	3,370	Shikoku	387
Hokuriku	591	Kyushu	980
		Total	11,414

2.Industry (10 Industries 51 Lines of business)

Agriculture,Forestry,Fisheries			100
Finance			164
Construction			1,766
Real Estate			489
Manufacturing (2,714)	Food,Beverages,Livestock Feed		316
	Textile,Textile Products,Clothing		127
	Construction Materials,Furniture,Ceramics,Stone and Clay Products		204
	Pulp, Paper and Paper Products		79
	Publishing,Printing		192
	Chemical		342
	Steel,Nonferrous Metals,Mining		485
	General Machinery		434
	Electrical Machinery		287
	Transportation Machinery,Equipment		103
	Precision Machinery,Medical Instruments and Equipment		74
	Others		71
Wholesale (2,506)	Food,Beverages		323
	Textile,Textile Products,Clothing		153
	Construction Materials,Furniture,Ceramics,Stone and Clay Products		281
	Paper Products,Stationery,Books		125
	Chemical		220
	Recycled Resources		35
	Steel,Nonferrous Metals,Mining Products		251
	Machinery,Equipment		812
	Others		306

Retail (833)	Food,Beverages	141
	Textile,Textile Products,Clothing	95
	Drugs,Sundries	55
	Furniture	25
	Electrical Household Appliances,Information Machinery and Equipment	51
	Motor Vehicles,Motor Vehicle Parts	156
	Special Merchandise	243
	Various Merchandise	52
	Others	15
Transportation,Warehousing		469
Service (2,333)	Restaurants	131
	Telecommunications	8
	Electricity,Gas,Water,Heat	12
	Leasing,Rentals	110
	Lodging, Hotels	99
	Recreation	116
	Broadcasting	15
	Maintenance,Guarding,Testing	270
	Advertising	115
	Information	554
	Labor Dispatching	81
	Special Services	375
	Medical,Welfare,Public Health	126
	Education	51
	Others	270
Others		40
Total		11,414

3.Size

Large Firms	1,808	15.8%
Small to Medium-sized Firms	9,606	84.2%
micro Firms	3,803	33.3%
Total	11,414	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 August 19 – 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

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

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

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.