

The domestic economy improved for five consecutive months for the first time in five years

~ Supported by rising stock prices and capital investment, with future focus on the new administration's economic policies ~

(Companies researched: 25,111; Valid responses: 10,427; Response rate: 41.5%; Survey start date: May 2002)

< Trend in October 2025: Upward Trend >

The Economic Diffusion Index (DI) in October 2025 increased by 0.5 points from the previous month to 43.9. This marks the first time in five years, since October 2020, that the index has improved for five consecutive months.

The domestic economy continued to show signs of recovery across a wide range of industries. This recovery was fueled by rising stock prices driven by expectations for the new administration, increased capital investment, and manufacturers' production expansion.

< Future outlook: Gradual recovery >

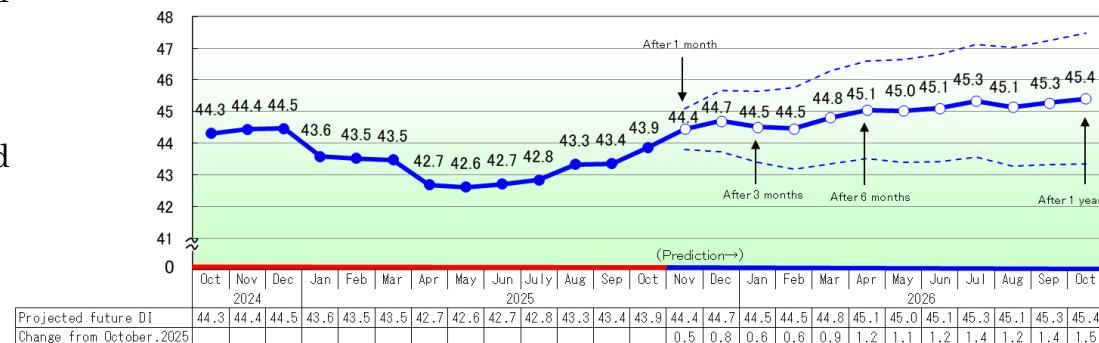
The domestic economy is expected to follow a gradual recovery trend while experiencing occasional fluctuations.

e-mail : keiki@mail.tdb.co.jp

By industry: 9 out of 10 industries improved, with business sentiment in "Agriculture, Forestry, Fisheries" reaching a record high.

By scale: "Small to medium-sized firms" and "micro firms" improved, reaching their highest levels in 2025.

By region: 9 out of 10 regions improved, with demand for real estate and construction boosting local economies.



Economic Diffusion Index (Economic DI)1/2

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Ratio to the Previous Month	
Total	44.3	44.4	44.5	43.6	43.5	43.5	42.7	42.6	42.7	42.8	43.3	43.4	43.9	0.5	
Large Firms	48.3	48.3	48.7	48.1	48.2	47.9	46.7	46.8	47.1	47.3	47.8	48.2	48.0	▲ 0.2	
Small to Medium-sized Firms	43.6	43.7	43.7	42.8	42.7	42.7	42.0	41.9	41.9	42.0	42.6	42.5	43.1	0.6	
Micro Firms	42.7	42.7	42.6	41.5	41.6	41.6	41.0	40.8	41.0	40.9	41.7	41.5	42.2	0.7	
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	46.3	46.7	43.7	45.1	46.8	47.0	47.5	48.1	49.3	46.1	47.9	46.6	51.8	5.2	
Finance	48.0	46.9	47.2	47.0	47.0	47.8	46.2	46.0	47.7	46.2	46.5	48.0	49.1	1.1	
Construction	47.8	48.1	47.6	46.9	46.7	46.7	45.9	45.9	45.9	46.4	46.8	47.3	47.7	0.4	
Real Estate	47.2	47.5	48.2	47.6	47.5	47.6	46.9	49.0	48.4	47.7	48.1	49.3	49.9	0.6	
Manufacturing	Food,BEWerages,Livestock Feed	42.9	42.9	42.6	42.3	41.2	40.4	40.6	42.0	40.9	41.3	42.8	41.7	42.4	0.7
	Textile,Textile Products,Clothing	35.7	36.7	36.3	35.1	38.1	36.8	35.2	34.1	32.9	33.6	34.2	36.8	34.6	▲ 2.2
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.9	39.2	40.8	38.8	40.1	38.4	38.6	36.8	39.3	40.0	39.0	38.7	40.1	1.4
	Pulp, Paper and Paper Products	37.8	36.5	38.8	35.8	36.8	37.9	38.1	34.9	35.3	35.6	38.0	38.4	40.0	1.6
	Publishing,Printing	33.2	34.2	33.6	33.5	33.9	32.9	33.3	32.9	32.0	32.6	33.2	32.4	32.6	0.2
	Chemical	43.9	43.4	42.5	42.5	42.8	41.6	42.4	41.5	41.4	42.4	43.3	42.3	43.2	0.9
	Steel,Nonferrous Metals,Mining	39.0	39.7	38.5	38.0	36.5	38.1	35.1	35.3	35.7	36.6	37.8	36.4	37.8	1.4
	General Machinery	42.3	41.9	41.3	40.9	40.1	39.1	37.5	37.8	38.4	37.5	38.5	37.8	40.3	2.5
	Electrical Machinery	44.1	42.8	43.5	43.0	43.1	43.4	40.9	39.9	41.6	42.8	42.0	44.1	44.0	▲ 0.1
	Transportation Machinery,Equipment	42.1	41.3	41.7	43.3	39.9	42.9	38.2	36.5	39.9	40.7	39.1	41.9	43.9	2.0
	Precision Machinery,Medical Instruments and Equipment	43.8	46.4	48.4	47.3	46.3	46.9	45.3	44.1	44.3	44.1	47.0	44.4	44.8	0.4
	Other	38.2	38.9	40.1	39.2	41.4	41.0	41.4	40.5	37.2	38.9	40.1	38.1	40.1	2.0
	Total	40.8	40.8	40.7	40.1	39.8	39.6	38.5	38.1	38.4	38.9	39.6	39.2	40.3	1.1
Wholesale	Food,BEWerages	43.2	42.4	44.0	41.8	42.2	41.3	41.3	41.2	40.3	41.1	41.8	41.8	41.1	▲ 0.7
	Textile,Textile Products,Clothing	34.5	33.7	34.4	34.5	33.8	34.6	35.8	35.1	34.8	34.8	33.7	33.2	32.2	▲ 1.0
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.6	39.2	38.9	39.3	38.0	38.9	38.2	39.0	38.2	37.4	37.6	38.1	39.2	1.1
	Paper Products,Stationery,Books	37.8	39.4	37.3	35.4	39.8	40.0	37.8	36.8	36.6	35.3	36.2	35.3	37.2	1.9
	Chemical	43.0	43.5	44.2	43.3	43.2	42.9	41.2	41.2	41.8	41.7	42.0	42.4	43.2	0.8
	Recycled Resources	38.9	38.5	40.3	36.5	42.1	36.2	35.8	35.1	36.6	36.0	37.0	37.3	40.8	3.5
	Steel,Nonferrous Metals,Mining Products	36.3	36.4	34.7	34.0	33.7	33.3	32.8	32.4	33.0	33.7	34.5	34.9	35.3	0.4
	Machinery,Equipment	44.0	43.9	44.5	43.2	43.6	43.7	42.3	42.2	42.6	42.3	43.1	42.8	43.4	0.6
	Other	41.7	42.1	42.3	40.7	41.1	41.5	40.8	40.7	40.1	40.2	40.5	40.4	39.7	▲ 0.7
	Total	41.2	41.3	41.5	40.3	40.6	40.7	39.8	39.7	39.6	39.5	40.0	40.0	40.3	0.3

Economic Diffusion Index (Economic DI)2/2

		Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Ratio to the Previous Month
Retail	Food,BEWerages	40.0	40.6	39.7	38.5	38.6	39.6	41.8	41.1	40.8	40.3	40.7	41.6	39.1	▲ 2.5
	Textile,Textile Products,Clothing	34.5	39.1	40.0	38.1	35.4	34.8	35.0	39.0	35.4	36.4	36.7	34.5	35.0	0.5
	Drugs,Sundries	40.4	42.5	41.5	42.0	39.1	40.6	35.4	35.9	36.1	39.7	41.1	39.2	35.7	▲ 3.5
	Furniture	33.3	34.7	36.4	31.3	34.5	28.2	36.3	33.9	31.8	32.0	35.2	36.1	36.5	0.4
	Electrical Household Appliances, Information Machinery and Equipment	43.8	38.8	42.6	43.0	42.3	42.3	41.4	39.6	43.0	42.3	42.4	42.6	43.5	0.9
	Motor Vehicles,Motor Vehicle Parts	42.3	39.3	39.5	39.6	38.9	42.9	40.5	38.2	40.8	38.0	40.1	38.8	40.2	1.4
	Special Merchandise	38.8	38.0	38.1	37.3	38.5	38.2	37.5	37.5	37.4	38.6	38.3	38.4	39.1	0.7
	Various Merchandise	39.6	42.4	39.6	38.8	39.5	39.5	36.0	35.8	36.3	38.5	38.5	37.8	39.9	2.1
	Other	39.3	45.6	44.4	37.5	41.2	39.3	43.3	45.2	44.8	46.9	49.0	36.3	44.1	7.8
	Total	39.7	39.4	39.5	38.6	38.6	39.2	38.6	38.3	38.6	38.9	39.4	38.8	39.1	0.3
Transportation,Warehousing		44.7	45.9	45.7	42.9	42.5	43.3	41.9	42.8	42.3	42.9	43.9	43.2	44.2	1.0
Service	Restaurants	46.2	47.5	49.5	45.5	43.6	45.1	46.2	43.5	44.6	45.6	46.8	45.6	44.1	▲ 1.5
	Postal,Telecommunications	57.4	53.0	57.6	50.0	48.6	53.3	48.7	50.0	47.4	51.9	47.9	48.1	53.0	4.9
	Electricity, Gas,Water,Heat	44.4	45.8	39.7	45.0	44.4	41.0	47.1	44.4	43.3	46.1	48.3	48.1	46.5	▲ 1.6
	Leasing,Rentals	49.7	49.5	51.0	51.1	49.8	52.2	48.7	49.8	48.0	49.3	49.7	48.3	49.0	0.7
	Lodging, Hotels	56.9	60.0	56.9	55.4	52.8	53.9	54.8	52.4	51.7	49.6	50.5	51.8	53.8	2.0
	Recreation	47.9	45.8	45.6	46.2	46.5	44.0	45.4	47.6	45.2	46.8	45.0	48.4	46.8	▲ 1.6
	Broadcasting	46.2	51.6	53.0	47.5	49.0	50.8	49.2	48.4	49.2	50.8	47.6	48.4	46.5	▲ 1.9
	Maintenance,Guarding,Testing	47.9	48.9	48.3	46.3	49.0	46.6	46.5	46.6	47.0	48.5	47.0	47.0	47.4	0.4
	Advertising	46.2	46.2	48.3	45.5	46.0	45.7	45.5	46.1	47.2	47.2	45.7	46.4	46.3	▲ 0.1
	Information	53.7	54.0	53.8	54.0	53.7	52.7	52.7	52.1	52.5	51.7	51.8	52.3	52.1	▲ 0.2
	Labor Dispatching	49.3	48.4	50.0	50.8	47.2	47.1	48.5	48.2	47.9	48.3	46.7	46.7	47.6	0.9
	Special Services	50.9	50.0	50.0	49.8	49.5	49.6	49.0	49.7	49.2	49.0	50.3	50.3	50.7	0.4
	Medical,Welfare,Public Health	44.2	41.9	43.6	42.4	41.9	42.5	42.0	41.4	40.4	38.0	39.5	39.6	39.5	▲ 0.1
	Education	46.9	47.0	49.0	46.0	43.9	46.8	42.2	44.9	43.4	40.6	39.9	43.1	43.9	0.8
	Other	47.2	47.7	48.3	46.6	47.1	46.8	46.4	45.5	47.3	47.3	46.5	46.2	46.9	0.7
	Total	49.8	49.9	50.2	49.2	49.0	48.7	48.4	48.2	48.3	48.3	48.2	48.5	48.6	0.1
Other		42.9	40.0	39.6	41.7	40.8	41.7	40.2	45.0	39.2	37.9	40.7	42.4	41.4	▲ 1.0

		Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Ratio to the Previous Month
Hokkaido		44.1	43.8	43.6	41.8	41.8	41.7	42.0	43.4	43.9	43.7	43.9	44.4	43.4	▲ 1.0
Tohoku		40.2	40.6	40.1	38.9	38.6	38.3	37.9	38.2	39.1	39.2	39.5	39.2	39.5	0.3
Kita-Kanto		42.4	42.4	41.9	41.1	41.4	40.7	40.5	39.3	40.1	41.3	41.0	41.3	41.9	0.6
Minami-Kanto		46.5	46.4	46.8	46.0	46.0	46.2	45.5	45.3	45.5	45.7	45.9	45.9	46.4	0.5
Hokuriku		42.2	42.2	41.7	40.5	41.0	40.6	40.2	40.4	40.0	40.9	41.0	41.4	41.6	0.2
Tokai		43.9	44.1	44.0	43.7	43.5	43.1	41.4	41.5	41.4	41.6	43.2	42.8	43.4	0.6
Kinki		43.8	43.8	44.2	43.1	43.2	43.5	42.7	42.2	42.1	41.5	42.7	42.5	43.3	0.8
Chugoku		43.6	44.5	44.1	43.0	42.6	42.9	41.4	41.4	40.9	41.3	42.1	42.1	42.7	0.6
Shikoku		41.2	41.3	40.1	40.1	40.3	41.4	39.6	40.6	39.7	39.9	40.6	41.2	42.0	0.8
Kyushu		46.4	47.2	47.6	46.4	46.3	45.7	44.8	44.8	44.5	44.4	44.4	44.6	45.5	0.9

Appendix

1. Research Subjects(Companies researched: 25,111; Valid responses: 10,427; Response rate: 41.5%)

1. Region

Hokkaido	467	Tokai	1,141
Tohoku	763	Kinki	1,668
kitaKanto	831	Chugoku	674
minamikanto	3,103	Shikoku	363
Hokuriku	530	Kyushu	887
		Total	10,427

2. Industry (10 Industries 51 Lines of business)

Agriculture,Forestry,Fisheries	113
Finance	169
Construction	1,573
Real Estate	430
Manufacturing (2,442)	269
Food,Beverages,Livestock Feed	269
Textile,Textile Products,Clothing	108
Construction Materials,Furniture,Ceramics,Stone and Clay Products	181
Pulp, Paper and Paper Products	80
Publishing,Printing	159
Chemical	318
Steel,Nonferrous Metals,Mining	436
General Machinery	419
Electrical Machinery	251
Transportation Machinery,Equipment	96
Precision Machinery,Medical Instruments and Equipment	61
Others	64
Wholesale (2,263)	302
Food,Beverages	302
Textile,Textile Products,Clothing	143
Construction Materials,Furniture,Ceramics,Stone and Clay Products	238
Paper Products,Stationery,Books	98
Chemical	216
Recycled Resources	47
Steel,Nonferrous Metals,Mining Products	233
Machinery,Equipment	713
Others	273

Retail (830)	Food,Beverages	138
	Textile,Textile Products,Clothing	72
	Drugs,Sundries	57
	Furniture	26
	Electrical Household Appliances,Information Machinery and Equipment	62
	Motor Vehicles,Motor Vehicle Parts	133
	Special Merchandise	264
	Various Merchandise	61
	Others	17
	Transportation,Warehousing	431
Service (2,141)	Restaurants	119
	Telecommunications	11
	Electricity,Gas,Water,Heat	19
	Leasing,Rentals	86
	Lodging, Hotels	80
	Recreation	95
	Broadcasting	19
	Maintenance,Guarding,Testing	269
	Advertising	104
	Information	487
	Labor Dispatching	78
	Special Services	380
	Medical,Welfare,Public Health	103
	Education	44
	Others	247
Others		35
	Total	10,427

3. Size

Large Firms	1,559	15.0%
Small to Medium-sized Firms	8,868	85.0%
micro Firms	3,435	32.9%
Total	10,427	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)

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."

3. Research Period and Methodology

Internet-based survey conducted October 20 - 31 2025

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	very 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

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

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

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.