

**Business confidence of SMEs marked a record high**  
 - Economic DI of 50.9, improvement for seven consecutive months -

(Companies researched: 23,113 ; Valid responses: 10,168; Response rate: 44.0%; Survey start date: May 2002)

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< Overview of December 2017: Expansion >

The economic diffusion index (DI) in December 2017 was 50.9, up 0.9 points from the previous month, and an improvement for seven consecutive months. Since February 2017, the DI has improved every month, except May in which the DI remained flat. With year-end demand in addition to a strong manufacturing industry, business confidence by industry and size was improved, and the domestic economy expanded.

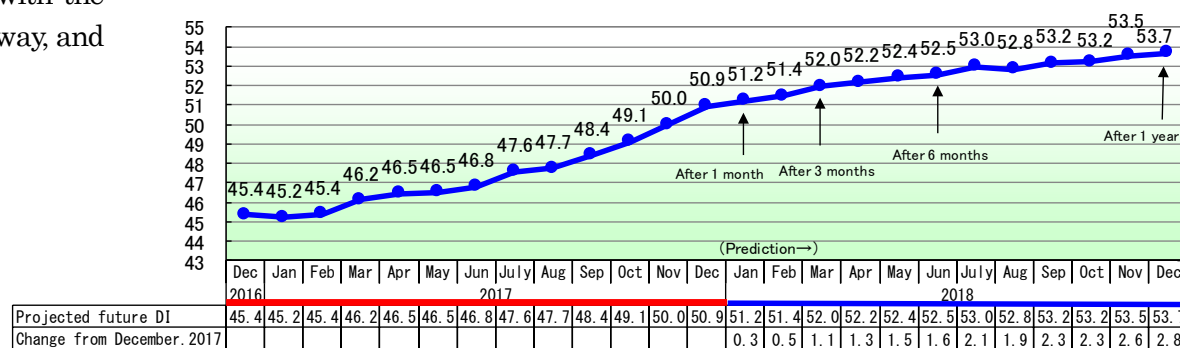
< Future outlook: Expansion continues >

The expansion in the domestic economy is expected to continue, with the corporate sector such as exports and capital investments leading the way, and is also supported by tax reform for domestic and foreign corporations.

By industry : Three industries such as "manufacturing" and "transportation and warehousing" marked a record high.

By size : Business confidence of "SMEs" and "small enterprises" marked a record high.

By region : Of the ten regions, six scored a DI of over 50, and the DI of "Kinki" went up to the 50s for the first time.



\*: 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

|                             | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Ratio to the PrFDious Month |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
| Total                       | 45.4   | 45.2   | 45.4   | 46.2   | 46.5   | 46.5   | 46.8   | 47.6   | 47.7   | 48.4   | 49.1   | 50.0   | 50.9   | 0.9                         |
| Large Firms                 | 48.4   | 48.2   | 48.3   | 48.9   | 49.4   | 49.9   | 49.8   | 50.3   | 50.5   | 51.3   | 51.6   | 52.1   | 53.0   | 0.9                         |
| Small to Medium-sized Firms | 44.5   | 44.4   | 44.6   | 45.4   | 45.7   | 45.6   | 46.0   | 46.8   | 47.0   | 47.7   | 48.5   | 49.4   | 50.4   | 1.0                         |
| Micro Firms                 | 43.9   | 43.5   | 44.1   | 44.4   | 44.5   | 44.4   | 44.4   | 45.6   | 45.7   | 46.7   | 47.6   | 48.7   | 49.8   | 1.1                         |

|                                | Dec-16  | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Ratio to the PrFDious Month |       |
|--------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|-------|
| Agriculture,Forestry,Fisheries | 47.3  | 43.3   | 45.1   | 45.5   | 47.0   | 45.4   | 45.3   | 44.9   | 44.5   | 45.6   | 47.5   | 46.7   | 49.2   | 2.5                         |       |
| Finance                        | 45.9  | 46.4   | 45.5   | 45.6   | 46.0   | 46.4   | 46.3   | 47.2   | 46.8   | 48.0   | 47.9   | 49.0   | 48.9   | ▲ 0.1                       |       |
| Construction                   | 49.7  | 49.2   | 49.5   | 49.3   | 49.0   | 49.5   | 49.5   | 50.4   | 50.7   | 51.7   | 52.7   | 53.7   | 54.2   | 0.5                         |       |
| Real Estate                    | 48.7  | 49.3   | 49.9   | 49.4   | 49.7   | 50.7   | 49.4   | 49.6   | 49.3   | 49.9   | 50.9   | 50.3   | 51.3   | 1.0                         |       |
| Manufacturing                  | Food,BEWerages,Livestock Feed                                       | 43.4   | 41.9   | 42.1   | 42.7   | 43.0   | 42.6   | 43.5   | 43.5   | 42.9   | 43.0   | 42.8   | 42.9   | 44.8                        | 1.9   |
|                                | Textile,Textile Products,Clothing                                   | 38.0   | 36.3   | 37.7   | 38.6   | 38.8   | 39.4   | 37.8   | 37.9   | 38.4   | 37.7   | 38.6   | 39.6   | 42.0                        | 2.4   |
|                                | Construction Materials,Furniture, Ceramics,Stone and Clay Products  | 43.5   | 43.3   | 42.8   | 43.2   | 42.4   | 43.4   | 43.4   | 45.9   | 45.6   | 47.0   | 46.8   | 48.0   | 1.2                         |       |
|                                | Pulp, Paper and Paper Products                                      | 43.0   | 43.3   | 42.0   | 42.0   | 42.9   | 42.5   | 43.4   | 43.8   | 41.9   | 44.4   | 46.6   | 45.6   | 48.7                        | 3.1   |
|                                | Publishing,Printing   | 35.7   | 33.9   | 34.6   | 36.5   | 35.6   | 33.4   | 35.1   | 34.2   | 34.6   | 36.4   | 35.7   | 35.4   | 35.8                        | 0.4   |
|                                | Chemical  | 48.2   | 47.5   | 47.9   | 48.5   | 49.9   | 50.3   | 50.2   | 51.4   | 50.5   | 51.8   | 52.5   | 53.3   | 54.1                        | 0.8   |
|                                | Steel,Nonferrous Metals,Mining                                      | 45.7   | 45.9   | 46.2   | 47.0   | 47.5   | 47.3   | 49.6   | 51.1   | 51.6   | 53.0   | 54.3   | 56.6   | 56.3                        | ▲ 0.3 |
|                                | General Machinery   | 50.3   | 49.9   | 51.1   | 52.9   | 54.1   | 54.5   | 54.8   | 56.5   | 56.2   | 57.2   | 59.3   | 59.3   | 60.8                        | 1.5   |
|                                | Electrical Machinery  | 45.5   | 46.3   | 47.1   | 47.8   | 48.6   | 49.3   | 49.7   | 50.3   | 51.5   | 52.2   | 53.7   | 54.5   | 55.7                        | 1.2   |
|                                | Transportation Machinery,Equipment                                  | 48.6   | 49.5   | 49.3   | 52.5   | 50.3   | 52.0   | 52.7   | 52.2   | 54.7   | 54.8   | 54.2   | 58.6   | 56.9                        | ▲ 1.7 |
|                                | Precision Machinery, Medical Instruments and Equipment              | 46.3   | 46.7   | 49.4   | 48.1   | 50.0   | 51.7   | 51.5   | 50.4   | 51.8   | 51.5   | 53.2   | 55.1   | 54.7                        | ▲ 0.4 |
| Other                          | 39.6  | 39.2   | 41.3   | 41.3   | 40.1   | 38.2   | 38.5   | 40.3   | 39.7   | 41.6   | 39.6   | 40.9   | 42.6   | 1.7                         |       |
| Total                          | 45.2  | 44.8   | 45.4   | 46.3   | 46.7   | 46.9   | 47.5   | 48.5   | 48.6   | 49.4   | 50.3   | 51.2   | 52.1   | 0.9                         |       |
| Wholesale                      | Food,BEWerages  | 41.5   | 40.6   | 40.4   | 41.0   | 41.7   | 42.7   | 41.8   | 42.2   | 41.3   | 41.6   | 41.1   | 42.4   | 43.5                        | 1.1   |
|                                | Textile,Textile Products,Clothing                                   | 34.0   | 33.7   | 33.4   | 32.6   | 34.7   | 34.5   | 35.0   | 34.3   | 34.2   | 35.3   | 35.4   | 36.1   | 37.4                        | 1.3   |
|                                | Construction Materials, Furniture,Ceramics, Stone and Clay Products | 43.2   | 42.1   | 42.6   | 42.8   | 41.8   | 43.2   | 42.8   | 43.0   | 43.8   | 44.0   | 44.2   | 45.1   | 46.7                        | 1.6   |
|                                | Paper Products,Stationery,Books                                     | 37.7   | 38.6   | 38.4   | 38.3   | 38.5   | 36.1   | 38.4   | 37.4   | 35.7   | 38.8   | 38.4   | 38.9   | 38.4                        | ▲ 0.5 |
|                                | Chemical  | 43.1   | 44.4   | 42.8   | 44.5   | 46.0   | 45.1   | 45.3   | 46.5   | 47.2   | 47.5   | 48.1   | 48.6   | 50.7                        | 2.1   |
|                                | Recycled Resources  | 49.5   | 49.1   | 50.0   | 54.9   | 49.5   | 49.0   | 51.8   | 49.5   | 55.4   | 52.4   | 51.6   | 57.8   | 58.3                        | 0.5   |
|                                | Steel,Nonferrous Metals, Mining Products                            | 42.6   | 42.5   | 42.9   | 44.0   | 43.5   | 41.3   | 43.1   | 45.1   | 45.6   | 46.2   | 49.5   | 50.5   | 52.3                        | 1.8   |
|                                | Machinery,Equipment   | 44.2   | 44.8   | 44.3   | 45.8   | 46.3   | 46.1   | 46.6   | 48.0   | 48.2   | 48.5   | 49.3   | 50.9   | 52.1                        | 1.2   |
|                                | Other   | 39.9   | 40.1   | 39.2   | 39.9   | 41.1   | 42.0   | 41.4   | 42.1   | 41.3   | 42.0   | 42.0   | 42.7   | 43.7                        | 1.0   |
| Total                          | 42.1  | 42.2   | 41.8   | 42.8   | 43.2   | 43.1   | 43.4   | 44.2   | 44.3   | 44.8   | 45.5   | 46.5   | 47.9   | 1.4                         |       |

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

|                            |  | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Ratio to the PrFDious Month |
|----------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
| Retail                     | Food,BEWerages   | 40.6   | 37.4   | 41.5   | 41.4   | 39.0   | 39.9   | 42.9   | 41.1   | 44.3   | 44.4   | 42.1   | 45.2   | 45.3   | 0.1                         |
|                            | Textile,Textile Products,Clothing                                    | 31.3   | 32.7   | 29.0   | 30.9   | 31.8   | 33.9   | 34.4   | 34.6   | 35.1   | 34.4   | 37.5   | 32.7   | 35.6   | 2.9                         |
|                            | Drugs,Sundries   | 42.0   | 43.5   | 46.0   | 44.3   | 46.0   | 46.4   | 44.4   | 43.8   | 46.8   | 44.2   | 44.9   | 46.2   | 44.4   | ▲ 1.8                       |
|                            | Furniture  | 30.0   | 33.3   | 38.1   | 33.3   | 35.7   | 35.7   | 40.7   | 39.6   | 37.5   | 41.7   | 40.9   | 45.0   | 40.7   | ▲ 4.3                       |
|                            | Electrical Household Appliances, Information Machinery and Equipment | 38.6   | 40.5   | 39.9   | 43.0   | 41.7   | 38.1   | 41.9   | 41.7   | 44.6   | 40.2   | 43.9   | 43.9   | 47.7   | 3.8                         |
|                            | Motor Vehicles,Motor Vehicle Parts                                   | 41.0   | 43.5   | 46.3   | 47.7   | 41.9   | 41.5   | 44.4   | 44.4   | 45.5   | 46.2   | 45.3   | 45.6   | 44.2   | ▲ 1.4                       |
|                            | Special Merchandise  | 37.1   | 38.3   | 39.1   | 38.8   | 38.3   | 39.1   | 39.8   | 39.7   | 39.8   | 39.7   | 39.6   | 38.8   | 41.5   | 2.7                         |
|                            | Various Merchandise  | 44.6   | 42.0   | 45.3   | 44.6   | 44.3   | 45.0   | 48.7   | 46.5   | 45.8   | 45.7   | 46.3   | 45.7   | 46.4   | 0.7                         |
|                            | Other  | 46.7   | 45.8   | 45.8   | 40.0   | 40.0   | 41.7   | 41.7   | 38.9   | 44.4   | 46.7   | 46.7   | 43.3   | 50.0   | 6.7                         |
|                            | Total  | 39.1   | 39.4   | 40.9   | 41.1   | 39.8   | 40.2   | 42.1   | 41.5   | 42.7   | 42.2   | 42.4   | 42.4   | 43.4   | 1.0                         |
| Transportation,Warehousing |  | 46.1   | 45.0   | 43.8   | 45.6   | 47.0   | 46.8   | 45.7   | 47.7   | 48.4   | 49.0   | 49.9   | 50.7   | 52.5   | 1.8                         |
| Service                    | Restaurants  | 37.5   | 42.3   | 39.0   | 45.1   | 45.0   | 41.1   | 43.0   | 43.9   | 41.9   | 45.2   | 45.1   | 42.9   | 44.9   | 2.0                         |
|                            | Postal,Telecommunications  | 46.2   | 55.1   | 52.8   | 58.3   | 54.2   | 51.3   | 56.9   | 55.6   | 54.2   | 59.1   | 54.5   | 57.7   | 56.4   | ▲ 1.3                       |
|                            | Electricity,Gas,Water,Heat   | 41.7   | 50.0   | 52.4   | 47.2   | 52.4   | 52.4   | 57.1   | 52.4   | 52.8   | 57.1   | 58.3   | 59.5   | 54.2   | ▲ 5.3                       |
|                            | Leasing,Rentals  | 48.9   | 47.9   | 48.2   | 50.1   | 48.9   | 50.2   | 50.0   | 50.6   | 49.7   | 52.0   | 54.2   | 54.9   | 55.9   | 1.0                         |
|                            | Lodging, Hotels  | 47.5   | 43.5   | 45.6   | 49.4   | 48.9   | 49.4   | 47.9   | 46.9   | 47.4   | 41.7   | 43.6   | 51.9   | 48.0   | ▲ 3.9                       |
|                            | Recreation   | 36.9   | 37.7   | 37.1   | 39.2   | 39.1   | 40.9   | 40.8   | 40.1   | 38.3   | 40.0   | 39.1   | 39.0   | 42.2   | 3.2                         |
|                            | Broadcasting   | 49.0   | 45.6   | 47.8   | 47.8   | 47.8   | 46.7   | 42.9   | 46.2   | 47.2   | 47.2   | 46.2   | 44.4   | 47.6   | 3.2                         |
|                            | Maintenance,Guarding,Testing   | 47.1   | 47.4   | 47.8   | 48.6   | 49.4   | 48.9   | 49.7   | 50.2   | 51.4   | 51.3   | 50.3   | 51.6   | 50.3   | ▲ 1.3                       |
|                            | Advertising  | 40.9   | 38.6   | 39.8   | 41.0   | 42.3   | 41.8   | 40.6   | 41.0   | 41.9   | 40.5   | 43.6   | 41.8   | 41.5   | ▲ 0.3                       |
|                            | Information  | 53.2   | 54.3   | 54.8   | 55.3   | 56.1   | 55.6   | 55.7   | 56.6   | 56.1   | 57.2   | 57.9   | 57.6   | 58.4   | 0.8                         |
|                            | Labor Dispatching  | 54.4   | 54.4   | 50.8   | 54.6   | 55.8   | 52.3   | 54.8   | 54.8   | 58.6   | 57.5   | 58.2   | 59.0   | 57.9   | ▲ 1.1                       |
|                            | Special Services   | 52.8   | 51.9   | 51.8   | 52.6   | 53.2   | 52.3   | 52.3   | 52.6   | 53.4   | 53.2   | 53.3   | 53.2   | 55.5   | 2.3                         |
|                            | Medical,Welfare,Public Health  | 44.0   | 43.6   | 44.7   | 46.4   | 47.7   | 47.9   | 48.3   | 45.2   | 46.1   | 47.4   | 44.1   | 47.9   | 48.3   | 0.4                         |
|                            | Education  | 43.7   | 46.7   | 44.4   | 43.7   | 41.1   | 43.5   | 42.1   | 42.5   | 42.5   | 41.7   | 41.0   | 40.5   | 42.4   | 1.9                         |
|                            | Other  | 47.9   | 47.1   | 49.6   | 50.1   | 50.0   | 49.3   | 50.8   | 50.2   | 50.5   | 50.7   | 50.6   | 53.9   | 52.6   | ▲ 1.3                       |
| Total                      | 48.7   | 48.8   | 49.1   | 50.4   | 50.9   | 50.4   | 50.7   | 50.9   | 51.1   | 51.5   | 51.8   | 52.5   | 53.0   | 0.5    |                             |
| Other                      |  | 39.5   | 39.9   | 40.8   | 40.2   | 42.1   | 41.7   | 42.2   | 41.7   | 42.4   | 43.6   | 43.3   | 47.9   | 48.2   | 0.3                         |

|             | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Ratio to the PrFDious Month |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
| Hokkaido    | 42.6   | 42.2   | 43.2   | 43.9   | 44.3   | 46.1   | 45.7   | 48.4   | 48.8   | 48.6   | 48.6   | 48.6   | 48.4   | ▲ 0.2                       |
| Tohoku      | 44.6   | 44.2   | 43.6   | 44.7   | 45.2   | 45.4   | 45.4   | 45.7   | 45.4   | 45.9   | 45.9   | 47.2   | 47.9   | 0.7                         |
| kitakanto   | 45.0   | 44.9   | 44.2   | 45.4   | 46.6   | 46.4   | 47.0   | 48.3   | 47.8   | 49.1   | 50.2   | 51.2   | 52.9   | 1.7                         |
| minamikanto | 46.1   | 46.3   | 46.5   | 47.1   | 47.4   | 47.3   | 47.7   | 48.2   | 48.2   | 49.1   | 49.7   | 50.5   | 51.3   | 0.8                         |
| Hokuriku    | 43.0   | 43.4   | 42.8   | 44.1   | 44.3   | 45.3   | 45.9   | 47.5   | 48.0   | 48.8   | 49.3   | 49.0   | 49.9   | 0.9                         |
| Tokai       | 46.4   | 45.7   | 45.9   | 46.6   | 46.8   | 46.4   | 47.3   | 48.1   | 48.8   | 49.2   | 50.0   | 51.2   | 52.5   | 1.3                         |
| Kinki       | 43.7   | 43.7   | 44.1   | 45.1   | 45.2   | 44.7   | 44.9   | 45.6   | 46.1   | 46.7   | 48.0   | 49.0   | 50.8   | 1.8                         |
| Chugoku     | 45.8   | 44.6   | 45.1   | 46.3   | 46.1   | 46.0   | 46.5   | 47.0   | 47.7   | 47.8   | 48.6   | 50.1   | 50.6   | 0.5                         |
| Shikoku     | 47.2   | 46.2   | 46.5   | 46.1   | 46.9   | 46.8   | 47.0   | 47.0   | 46.8   | 48.5   | 48.2   | 48.5   | 49.0   | 0.5                         |
| Kyushu      | 48.0   | 48.1   | 49.0   | 48.7   | 49.1   | 49.5   | 48.9   | 49.4   | 49.4   | 49.9   | 50.5   | 51.3   | 51.7   | 0.4                         |

## Appendix

### 1. Research Subjects (Companies Researched 23,113; Valid responses: 10,168 ; Response rate: 44.0%)

Appendix

#### 1. Region

|             |       |              |               |
|-------------|-------|--------------|---------------|
| Hokkaido    | 524   | Tokai        | 1,135         |
| Tohoku      | 636   | Kinki        | 1,727         |
| kitaKanto   | 720   | Chugoku      | 573           |
| minamikanto | 3,230 | Shikoku      | 312           |
| Hokuriku    | 563   | Kyushu       | 748           |
|             |       | <b>Total</b> | <b>10,168</b> |

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

|                                  |  |       |
|----------------------------------|--|-------|
| Agriculture, Forestry, Fisheries |  | 59    |
| Finance                          |  | 122   |
| Construction                     |  | 1,482 |
| Real Estate                      |  | 315   |
| Manufacturing<br>3,223           | Food, Beverages, Livestock Feed                                      | 330   |
|                                  | Textile, Textile Products, Clothing                                  | 109   |
|                                  | Construction Materials, Furniture, Ceramics, Stone and Clay Products | 226   |
|                                  | Pulp, Paper and Paper Products                                       | 103   |
|                                  | Publishing, Printing   | 185   |
|                                  | Chemical   | 419   |
|                                  | Steel, Nonferrous Metals, Mining                                     | 504   |
|                                  | General Machinery  | 446   |
|                                  | Electrical Machinery   | 342   |
|                                  | Transportation Machinery, Equipment                                  | 102   |
|                                  | Precision Machinery, Medical Instruments and Equipment               | 75    |
| Others                           | 86   |       |
| Wholesale<br>3,959               | Food, Beverages  | 365   |
|                                  | Textile, Textile Products, Clothing                                  | 179   |
|                                  | Construction Materials, Furniture, Ceramics, Stone and Clay Products | 327   |
|                                  | Paper Products, Stationery, Books                                    | 101   |
|                                  | Chemical   | 285   |
|                                  | Recycled Resources   | 32    |
|                                  | Steel, Nonferrous Metals, Mining Products                            | 312   |
|                                  | Machinery, Equipment   | 914   |
|                                  | Others   | 347   |

#### 3. Size

|                             |               |               |
|-----------------------------|---------------|---------------|
| Large Firms                 | 2,106         | 20.7%         |
| Small to Medium-sized Firms | 8,062         | 79.3%         |
| micro Firms                 | 2,660         | 26.2%         |
| <b>Total</b>                | <b>10,168</b> | <b>100.0%</b> |

|                             |  |               |
|-----------------------------|--|---------------|
| Retail<br>480               | Food, Beverages  | 64            |
|                             | Textile, Textile Products, Clothing                                  | 30            |
|                             | Drugs, Sundries  | 24            |
|                             | Furniture  | 9             |
|                             | Electrical Household Appliances, Information Machinery and Equipment | 37            |
|                             | Motor Vehicles, Motor Vehicle Parts                                  | 60            |
|                             | Special Merchandise  | 132           |
|                             | Various Merchandise  | 46            |
| Others                      | 4  |               |
| Transportation, Warehousing |  | 436           |
| Service<br>1,384            | Restaurants  | 39            |
|                             | Telecommunications   | 13            |
|                             | Electricity, Gas, Water, Heat  | 8             |
|                             | Leasing, Rentals   | 110           |
|                             | Lodging, Hotels  | 25            |
|                             | Recreation   | 64            |
|                             | Broadcasting   | 14            |
|                             | Maintenance, Guarding, Testing                                       | 157           |
|                             | Advertising  | 100           |
|                             | Information  | 419           |
|                             | Labor Dispatching  | 53            |
|                             | Special Services   | 241           |
|                             | Medical, Welfare, Public Health                                      | 100           |
| Education                   | 24   |               |
| Others                      | 146  |               |
| Others                      | 46   |               |
| <b>Total</b>                |  | <b>10,168</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 December 18 2017–January 9 2017

### 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 Formula

The DI (Diffusion Index) is calculated by attaching a number (in parenthesis in the diagram below) to each of seven possible responses. Then multiplying the percentage of each response by the appropriate number, and adding the results.

| Very Bad | Bad     | Moderately Bad | Neither Good or Bad     | Moderately Good | Good    | Very Good |
|----------|---------|----------------|-------------------------|-----------------|---------|-----------|
| ( 0 )    | ( 1/6 ) | ( 2/6 )        | ( 3/6 )                 | ( 4/6 )         | ( 5/6 ) | ( 6/6 )   |
| 0        | 16.7    | 33.3           | DI=50<br>Dividing point | 66.7            | 83.3    | 100       |

A DI over 50 is in the range of "Good." A score under 50 is "Bad." The number 50 is the dividing point ("Neither Good or Bad"). All numbers are rounded off to the hundredth. It should be noted that no weight is given to a company's responses based on its size. Calculations are made according to a "one company, one vote" rule.

For example, all corporations rated 'Very Good'.

$$DI=6/6 \times 100(\%)=100$$

All corporations rated 'Neither Good nor Bad'.

$$DI=3/6 \times 100(\%)=50$$

#### 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<br>No. of Employee: Over 300 | Capital: Below 300 million yen or<br>No. of Employee: Below 300 | No. of Employee: Below 20 |
| Wholesale Trade                     | Capital: More than 100 million yen and<br>No. of Employee: Over 100 | Capital: Below 100 million yen or<br>No. of Employee: Below 100 | No. of Employee: Below 5  |
| Retail Trade                        | Capital: More than 50 million yen and<br>No. of Employee: Over 50   | Capital: Below 50 million yen or<br>No. of Employee: Below 50   | No. of Employee: Below 5  |
| Service**                           | Capital: More than 50 million yen and<br>No. of Employee: Over 100  | Capital: Below 50 million yen or<br>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.