Economy Watchers Survey
January 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in January (seasonally adjusted) went down by 3.1 points from the previous month to 31.2.

The household activity-related DI went down mainly because the retail-related DI decreased. The corporate activity-related DI went down mainly because the DI for the manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in January (seasonally adjusted) went up by 3.8 points from the previous month to 39.9.

The household activity-, corporate activity-, and employment-related DIs rose.

On a not seasonally adjusted basis, the DI for current economic conditions fell by 6.4 points from the previous month to 30.1 and the DI for future economic conditions rose by 5.4 points from the previous month to 41.5.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has recently been weakening under the impact of the Novel Coronavirus infection. As for the future, concerns are seen about the infection trend.

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### SUMMARY OF CHARACTERISTIC REASONS FOR THE ASSESSMENT OF THE ECONOMY

#### National

(Assessments) **A**, Better; **B**, Slightly better; **C**, Unchanged; **D**, Slightly worse; **E**, Worse

1. **Current conditions**

   **Household activity**
   - **C** • Heating products are selling well thanks to cold weather. Spending per customer mainly on white goods is rising, while brown goods sales remain unchanged from a year earlier. Overall sales are somewhat brisker than a year earlier. (Tohoku: Electrical appliance retailer)
   - **D** • Since a state of emergency was declared, the number of customers has declined substantially in the morning and after 6 p.m. The monthly number of customers is limited to some 40% of the year-before level. (Kinki: Department store)
   - **E** • Although we are set to close at 10 p.m. in line with a request for shorter business hours in this area, we effectively close around 9 p.m. So, the number of customers has dramatically declined from normal levels. (Tohoku: Standard class restaurant)

   **Corporate activity**
   - **B** • Some customers have reduced shipments under the impact of the Novel Coronavirus infection, but overall transportation demand is recovering. Particularly, maritime transportation customers have increased their shipments beyond the year-before level. (Shikoku: Transport)
   - **D** • While food sales for home consumption have remained brisk even since the turn of the year, commercial food sales, including those for the food service industry, have declined far below the year-before level probably due to the impact of the second state of emergency declaration. (Hokuriku: Food manufacturer)

   **Employment**
   - **D** • Job offers from nearby companies have substantially declined under the impact of the Novel Coronavirus infection. Companies in the nursing care and welfare sector still offer job ads. (Koshinetsu: Job advertisement magazine producer)

2. **Future conditions**

   **Household activity**
   - **B** • The number of customers will gradually recover if new Novel Coronavirus infections decrease substantially, with the state of emergency period coming to an end. If vaccination starts, it will support economic sentiment. (Southern Kanto: Department store)
   - **C** • As people remain alert to the Novel Coronavirus infection in the future, demand for home eating will stay high. (Chugoku: Supermarket)
   - **D** • As voluntary restrictions on going out affect new clothing purchases, customers will remain negative. (Kyushu: Clothing shop)

   **Corporate activity**
   - **D** • As the government cannot be expected to lift the state of emergency declaration, February and March student group tour reservations have begun to be cancelled. We see no factor indicating any recovery in the number of tourists. (Northern Kanto: Theme park)
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<thead>
<tr>
<th>Corporate activity</th>
<th>Employment</th>
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<tbody>
<tr>
<td><strong>B</strong></td>
<td>• Capital investment plans for vehicles for North America have begun to be implemented gradually after their suspension. (Tokai: Machinery and equipment)</td>
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<td><strong>D</strong></td>
<td>• All things depend on the end of the Novel Coronavirus infection. Tenants are keeping the level of their business operations low. Some tenants are likely to offer to cancel rental office contracts due to deterioration in earnings. Our business outlook is bleak. (Southern Kanto: Real estate business)</td>
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<td><strong>C</strong></td>
<td>• Automobile-related manufacturing job offers are recovering, but job offers are kept low in wholesale, retail, food service, and hotel industries. Overall economic sentiment remains unchanged. (Kinki: Employment security office)</td>
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