

Economy Watchers Survey
June 2025

OVERVIEW OF THE MONTH

The DI for current economic conditions in June (seasonally adjusted) went up by 0.6 points from the previous month to 45.0.

The household activity-related DI went up mainly because the food and beverage-related DI increased, though the service-related DI decreased. The corporate activity-related DI went up mainly because the DI for the non-manufacturing sector increased. The employment-related DI decreased.

The DI for future economic conditions in June (seasonally adjusted) went up by 1.1 points from the previous month to 45.9.

The household activity-, and employment-related DIs rose though the corporate activity-related DI fell.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.3 points from the previous month to 45.1, and the DI for future economic conditions rose by 0.8 points from the previous month to 46.9.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has recently shown some weakness in its recovery. As for the future, there is continued concern about price hikes and the impact of U.S. trade policy, while hopes are placed on summer bonuses and wage increases.

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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**

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As the temperature continues to rise, more customers are buying summer goods, raising the number of visitors to our store year on year. Furthermore, spending per customer is rising, improving our business sentiment. (Hokkaido: Clothing store) Spending per customer has risen by 150 to 200 yen, and purchase volume has also increased. Although prices are rising, customers are less concerned about prices. (Kinki: Other specialty shop [Drugstore])
D	<ul style="list-style-type: none"> Every year, sales are sluggish in June, after the holiday-studded golden week. In June this year, they slipped below the year-before level. While the number of visitors has increased slightly, spending per customer has decreased. Although customers are not eager to reduce eating-out opportunities, they tend to reduce spending. (Shikoku: Standard-class restaurant) It seems that growth in inbound tourism has come to an end. Rising prices and an unstable international situation are leading consumers to slightly restrict their spending. (Southern Kanto: Other leisure facilities [General])
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> While many customers retain a wait-and-see attitude toward capital investment due to the U.S. tariff policy, there is a sense that they cannot wait any longer. Mainly in North America, some customers' agents are increasing inventories in preparation for an increase in semiconductor-related orders. (Tokai: General machinery and equipment manufacturer)
D	<ul style="list-style-type: none"> Inquiries related to automobiles and steel are decreasing, worsening our business sentiment. (Chugoku: Transporter)
<i>Employment</i>	
D	<ul style="list-style-type: none"> Although labor shortages remain unchanged, our order receipts are decreasing as a result of an increase in the number of companies that are cautious about hiring due to uncertainties about the future. (Chugoku: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We expect an increase in leisure demand due to the earlier-than-usual end of the rainy season. Furthermore, we expect that customers will have longer stays thanks to the opening of a large leisure facility. (Okinawa: Tourist hotel) The regional economy is recovering slightly apparently due mainly to improvements in summer bonuses. (Kinki: Telecommunications company)
C	<ul style="list-style-type: none"> As prices, especially for food products, continue to rise, many of our customers are refraining from buying and are cutting spending on clothing. This situation is likely to continue for a while. (Shikoku: Clothing store)

D	<ul style="list-style-type: none">As crude oil prices are fluctuating wildly due to the deterioration of the situation in the Middle East, our future is uncertain. (Tohoku: Other specialty shop [Gas station])
<i>Corporate activity</i>	
B	<ul style="list-style-type: none">Although there are matters of concern, such as labor shortages and U.S. tariff measures, domestic construction investment is expected to remain firm, so our business sentiment will improve slightly in the future. (Hokkaido: Other services [Construction equipment lease])
D	<ul style="list-style-type: none">As products manufactured for overseas markets account for a very large share of our production, the tariff issue and other problems will continue to affect our business for a long time. (Tokai: Electrical machinery and equipment manufacturer)
<i>Employment</i>	
B	<ul style="list-style-type: none">As companies are desperate to hire, wages specified on job postings are rising. Given this, it can be seen that the economy is moving in a good direction. (Northern Kanto: School [Vocational school])