

**Economy Watchers Survey**  
**January 2026**

**OVERVIEW OF THE MONTH**

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The DI for current economic conditions in January (seasonally adjusted) went down by 0.1 points from the previous month to 47.6.

The household activity-related DI went down mainly because the service-related DI decreased, though the retail-related DI increased. 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 January (seasonally adjusted) went up by 0.6 points from the previous month to 50.1.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 3.1 points from the previous month to 45.4, and the DI for future economic conditions rose by 2.5 points from the previous month to 50.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is picking up, though the impact of weather factors on the economy is seen. As for the future, the rebound is expected to continue, despite concern about the impact of price hikes.

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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**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>While duty-free goods sales to foreign tourists have declined since mid-December, demand for luxury goods has soared since mid-January in the lead up to price hikes. Sales to domestic wealthy consumers are scoring a double-digit year-on-year increase, growing faster than duty-free goods sales to foreign tourists. (Kinki: Department store)</li> <li>As the number of visitors is increasing year on year, with spending per customer rising due to price hikes, our sales are growing. (Tohoku: Supermarket)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>As construction costs remain high, an upturn in housing loan interest rates is dampening consumer buying sentiment. The environment surrounding the housing industry remains severe. (Hokkaido: Housing dealer)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Although the number of visitors was robust thanks to stable weather conditions late last year, the number slipped below year-earlier levels in the New Year holidays and the three-day weekend as cold waves and snowfall discouraged people from going out. (Northern Kanto: Theme park)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Orders for processed metal products for semiconductor manufacturing equipment have increased slightly. (Kyushu: General machinery and equipment manufacturer)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Orders are relatively stable. The problem is with expenditure, including rising vehicle-related costs. The need to increase labor costs is an additional concern. (Tokai: Transport)</li> </ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"> <li>As an increase in career recruitment by large companies has affected recruitment at small and medium-sized enterprises, labor shortages remain serious at those enterprises. Companies are still failing to find the human resources they are looking for as many job seekers are elderly or hope to work shorter hours. (Hokuriku: Private employment agency)</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>At a time when tourism demand gradually increases toward early spring, it is expected that hotels will be increasingly used for independent travel and tourism purposes. Hotel accommodation demand from companies and other organizations may also grow toward the turn of the fiscal year. (Chugoku: Urban hotel)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>As for the future, we expect that our sales volume will increase seasonally as usual when the snow melts. However, it is undeniable that our sales will be affected by weather conditions such as snow. (Hokkaido: Auto dealer)</li> <li>Although inbound tourists from China during the Lunar New Year holidays are expected to decrease, those from other countries are increasing, indicating that</li> </ul>

	there are not many factors that would lead our business sentiment to decline. (Southern Kanto: Other leisure facilities [General])
<b>D</b>	<ul style="list-style-type: none"><li>Due to price hikes, sales of high-value products, including clothing, are failing to grow. It is expected that customers' desire to save money will remain in the future. No growth in cosmetics sales can be expected amid the downward trend in the number of inbound tourists. (Kyushu: Department store)</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>Economic sentiment is expected to improve slightly as robust regional capital investment is combined with increasing business opportunities associated with a major automaker's plant construction. (Chugoku: Financial business)</li></ul>
<b>C</b>	<ul style="list-style-type: none"><li>The cost of purchasing overseas raw materials and goods is expected to remain high due to exchange rate fluctuations, exerting downside pressure on our profits. (Shikoku: Food manufacturer)</li></ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>Although the overall number of job openings is high, the number of hires does not increase easily. Recruiters are strictly selecting job seekers. (Southern Kanto: Private employment agency)</li></ul>