

Economy Watchers Survey
June 2026

OVERVIEW OF THE MONTH

The DI for current economic conditions in June (seasonally adjusted) went up by 0.4 points from the previous month to 44.0.

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

The DI for future economic conditions in June (seasonally adjusted) went up by 5.0 points from the previous month to 45.7.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.4 points from the previous month to 43.5, and the DI for future economic conditions rose by 5.2 points from the previous month to 46.1.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has shown signs of picking up, though it is still mainly affected by a decline in economic sentiment caused by the situation in the Middle East. As for the future, there are expectations that uncertainty arising from the situation in the Middle East will ease.

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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	· Food and other daily necessity sales have remained stable. Consumer spending by some wealthy individuals remains at a high level. (Southern Kanto: Department store)
C	· Although our business was damaged by party booking cancellations due to events such as typhoons and heavy rain forecasts this month, our sales remained unchanged from the previous month. (Southern Kanto: Standard-class restaurants) · The accommodation sector is steadily performing thanks mainly to robust inbound tourism. In line with this, the restaurant sector is steady. The banquet sector is struggling. (Hokuriku: Urban hotel)
D	· Due to manufacturer price revisions and procurement cost hikes over the past several years, over-the-counter sales prices have continued to rise. As a result, customers have been holding back on purchases and reducing their shopping frequency, leading to stagnant sales growth. (Kinki: Supermarket)
<i>Corporate activity</i>	
B	· As semiconductor-related business activities are becoming robust, our overall orders are increasing. (Tohoku: Transportation machinery and tool manufacturer)
D	· Material price hikes and delivery delays caused by the Middle East situation have led to adverse business impacts, such as our business partners' postponement of business projects beyond the current business year. (Chugoku: Telecommunications company)
<i>Employment</i>	
B	· Due to an uncertain business outlook amid the unstable Middle East situation, many companies in manufacturing, food service, wholesale, and petroleum-related products sectors had temporarily halted recruitment. As the outlook has become clearer, however, companies are increasingly resuming recruitment. (Tohoku: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
B	· Towards the end of the rainy season, air conditioner sales growth is expected against the backdrop of the planned revision of energy efficiency standards. (Northern Kanto: Electrical appliance retailer) · Bookings for the summer to autumn travel season are brisk. (Kyushu: Travel agency)
C	· Although there are no signs of an economic pickup, we expect car sales to improve as the situation in the Middle East gradually stabilizes and the flow of goods increases. (Hokkaido: Auto dealer)

	As the future of the Middle East situation remains uncertain, any improvements are likely to take time. (Chugoku: Telecommunications company)
Corporate activity	
B	As efforts to resolve uncertainty in the Middle East situation are seen, with fuel prices trending down, we expect the economy to pick up, leading to an increase in cargo volume. (Tokai: Transporter)
C	Due partly to expected price increases starting in July, raw material deliveries seem to be delayed. If things remain as they are, there will be no problem, but if delays are prolonged, however, our business situation will become a bit tougher. (Koshinetsu: Electrical machinery and equipment manufacturer)
Employment	
B	Although Middle East instability has affected the supply of raw materials and equipment, the number of job openings is still increasing. So, we believe that the impact of the instability on employment is limited. (Kinki: Employment security office)