

Quarterly Survey on SME Trends

Jan. - Mar. 2024 (result) & Apr. - Jun. 2024 (forecast)

Small and Micro Businesses

(basically with less than 20 workers)

Small and Medium Enterprises

(basically with 20 workers or more)

■ Main Diffusion Index (DI)

Business Sentiment DI	Sales DI	Profit DI	Cash Flow DI	Borrowing DI
▲23.8 (-6.2)	▲7.0 (-4.6)	▲17.6 (-6.8)	▲24.0 (-4.6)	▲16.2 (+0.1)

Business Sentiment DI	Sales DI	Profit DI	Cash Flow DI	Long-Term Borrowing DI
7.6 (+2.2)	13.5 (-0.4)	▲1.6 (+3.2)	2.4 (+1.6)	5.4 (+0.4)

Note: In () is the change from the former quarter.

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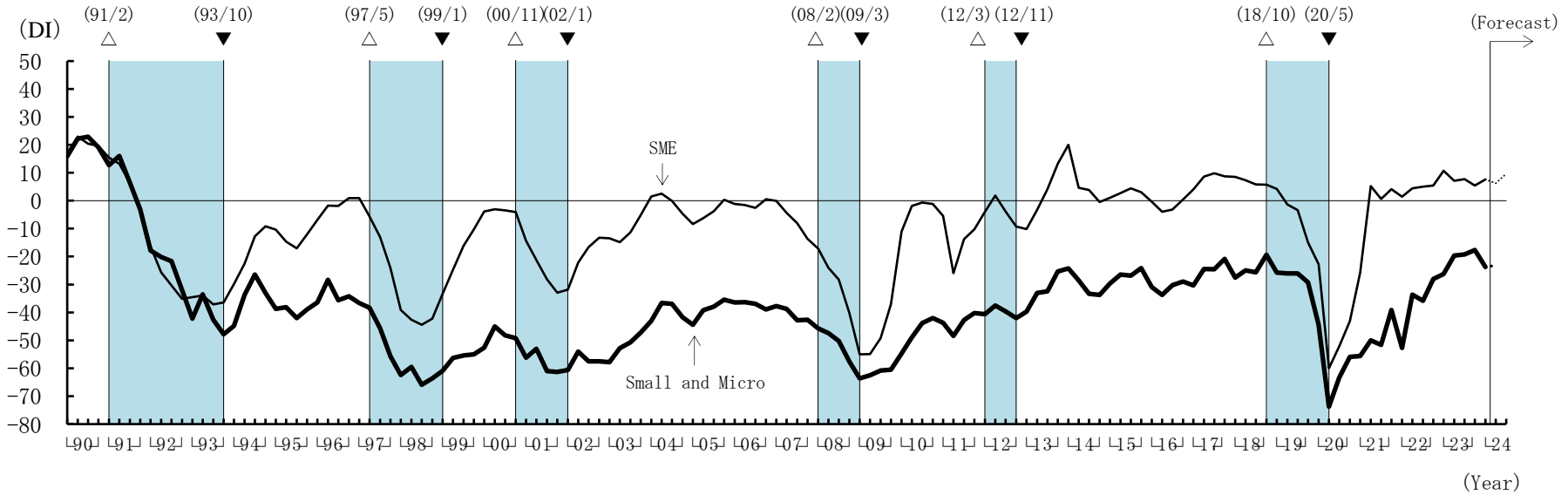
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Summary of the Survey

1 Business Sentiment DI

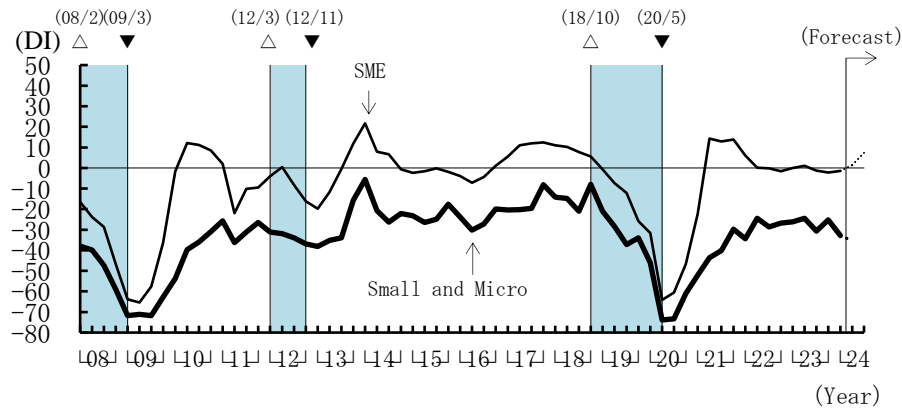
① All Industries

	Jan.-Mar. 2022	Apr.-Jun. 2022	Jul.-Sep. 2022	Oct.-Dec. 2022	Jan.-Mar. 2023	Apr.-Jun. 2023	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024	Apr.-Jun. 2024 forecast	Jul.-Sep. 2024 forecast
SME	1.4	4.4	5.0	5.4	10.8	7.1	7.7	5.4	7.6	6.3	9.7
Small and Micro	▲ 52.8	▲ 33.6	▲ 35.8	▲ 28.0	▲ 26.3	▲ 19.7	▲ 19.2	▲ 17.6	▲ 23.8	▲ 23.2	-



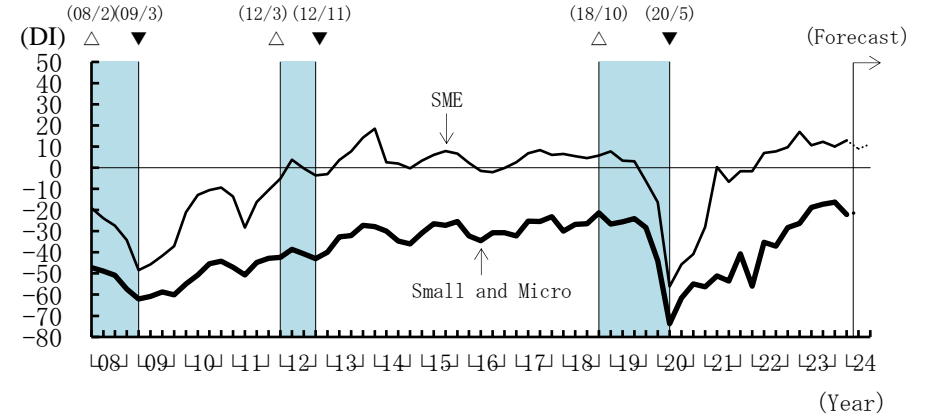
② Manufacturing

	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024	Apr.-Jun. 2024 forecast	Jul.-Sep. 2024 forecast
SME	▲ 1.3	▲ 2.2	▲ 1.5	1.4	7.4
Small and Micro	▲ 30.6	▲ 25.3	▲ 32.8	▲ 35.3	-



③ Non Manufacturing

	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024	Apr.-Jun. 2024 forecast	Jul.-Sep. 2024 forecast
SME	12.2	10.0	12.9	8.9	11.2
Small and Micro	▲ 17.2	▲ 16.3	▲ 22.1	▲ 20.9	-



Note: 1 For Small and Micro Businesses, DI = percentage of answering "Good" minus percentage of answering "Bad" for the question: "How is your business sentiment?"

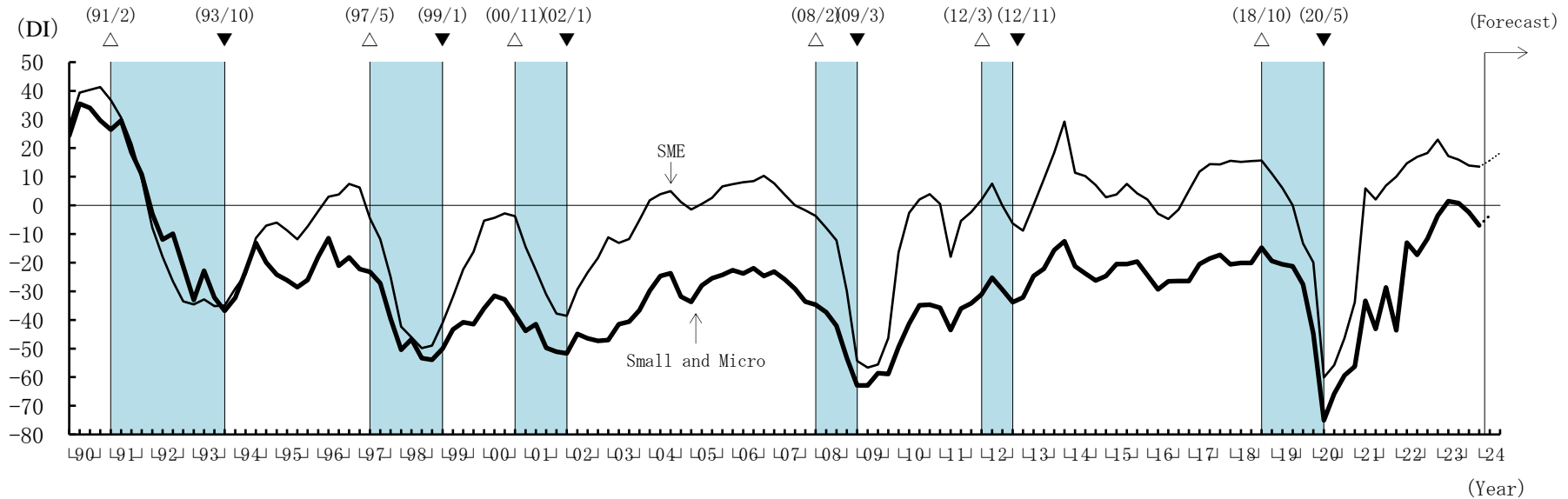
2 For SMEs, DI = percentage of answering "Better" minus percentage of answering "Worse" for the question: "How is your business sentiment change compared with the same quarter of the last year" (Seasonally Adjusted).

3 Shadow on graph is recession period. The same shall apply hereinafter.

2 Sales DI

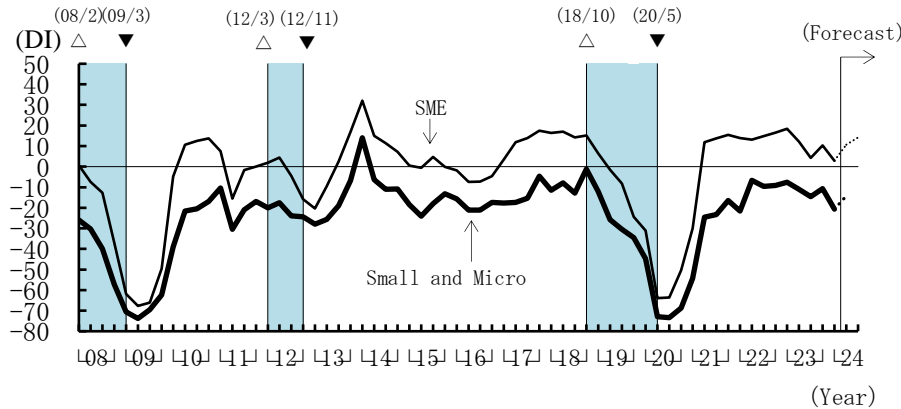
① All Industries

	Jan.-Mar. 2022	Apr.-Jun. 2022	Jul.-Sep. 2022	Oct.-Dec. 2022	Jan.-Mar. 2023	Apr.-Jun. 2023	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024	Apr.-Jun. 2024 forecast	Jul.-Sep. 2024 forecast
SME	10.1	14.7	16.9	18.2	23.0	17.2	15.9	13.9	13.5	15.7	18.3
Small and Micro	▲ 43.6	▲ 13.0	▲ 17.3	▲ 11.6	▲ 3.6	1.4	0.8	▲ 2.4	▲ 7.0	▲ 3.5	-



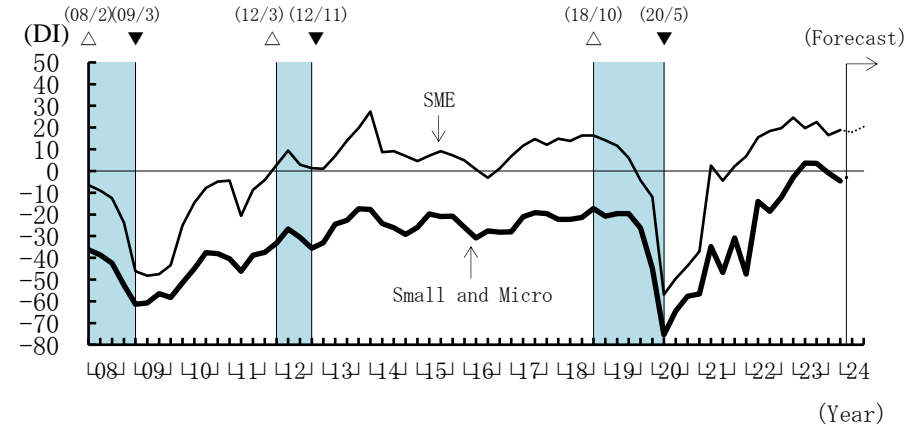
② Manufacturing

	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024	Apr.-Jun. 2024 forecast	Jul.-Sep. 2024 forecast
SME	4.2	10.3	2.9	10.6	14.2
Small and Micro	▲ 14.6	▲ 10.6	▲ 20.7	▲ 14.3	-



③ Non Manufacturing

	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024	Apr.-Jun. 2024 forecast	Jul.-Sep. 2024 forecast
SME	22.5	16.5	18.9	17.8	20.4
Small and Micro	3.5	▲ 0.9	▲ 4.6	▲ 1.6	-



Note:1 For Small and Micro Businesses, DI = percentage of answering "Increase" minus percentage of answering "Decrease" for the question: "How are your sales compared with those of the same quarter of the last year?"

2 For SMEs, DI = percentage of answering "Increase" minus percentage of answering "Decrease" for the question: "How are your sales compared with those of the same quarter of the last year" (Seasonally Adjusted).

Small and Micro Businesses

Jan. - Mar. 2024 (result) & Apr. - Jun. 2024 (forecast)

[Methodology]

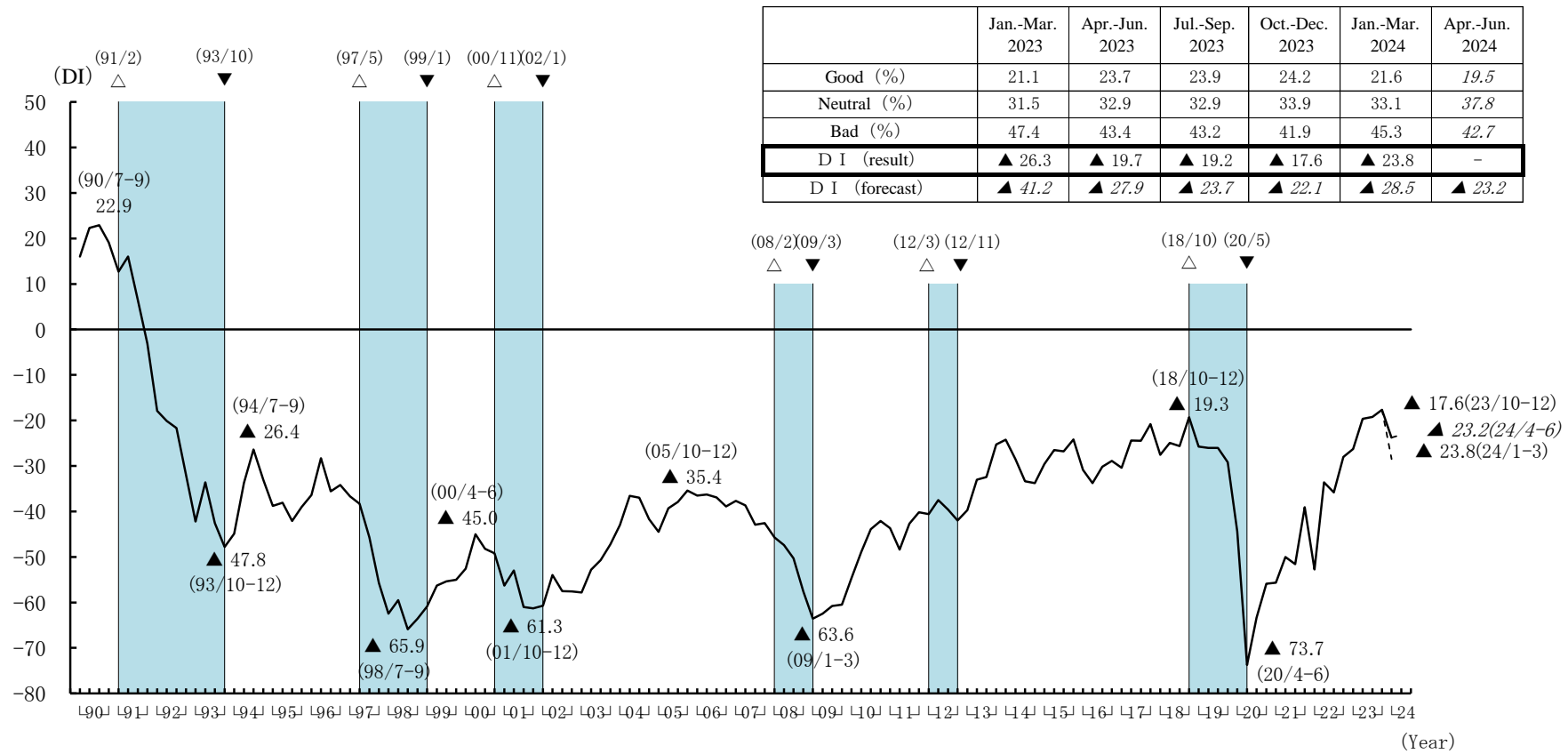
Survey Date	March 1 - 22, 2024
Sample (Size)	JFC Customers (10,000 Small and Micro Businesses, basically less than 20 workers)
Valid Responses	5,832 enterprises [response rate 58.3 %]

<Industries>

		Sample Size	Valid Responses	
Manufacturing	(Less than 20 Workers)	1,500	900	(15.4 %)
Wholesale Trade	(Less than 10 Workers)	800	588	(10.1 %)
Retail Trade	(Less than 10 Workers)	2,450	1,320	(22.6 %)
Restaurants and Hotels	(Less than 10 Workers)	1,800	887	(15.2 %)
Services	(Less than 20 Workers)	2,000	1,209	(20.7 %)
Information and Communication	(Less than 20 Workers)	160	66	(1.1 %)
Construction	(Less than 20 Workers)	1,100	729	(12.5 %)
Transport	(Less than 20 Workers)	190	133	(2.3 %)
Note: Workers are employees and entrepreneurs / CEOs.				
(Reference)				
		Companies	3,891	(66.7 %)
		Solo Proprietors	1,941	(33.3 %)

1 Business Sentiment

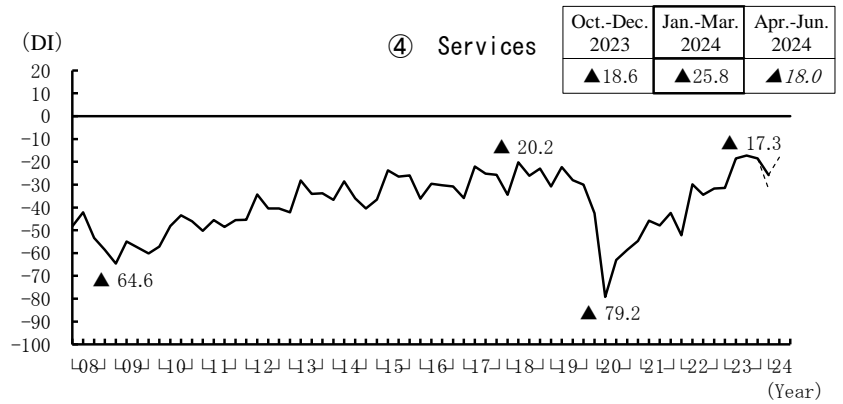
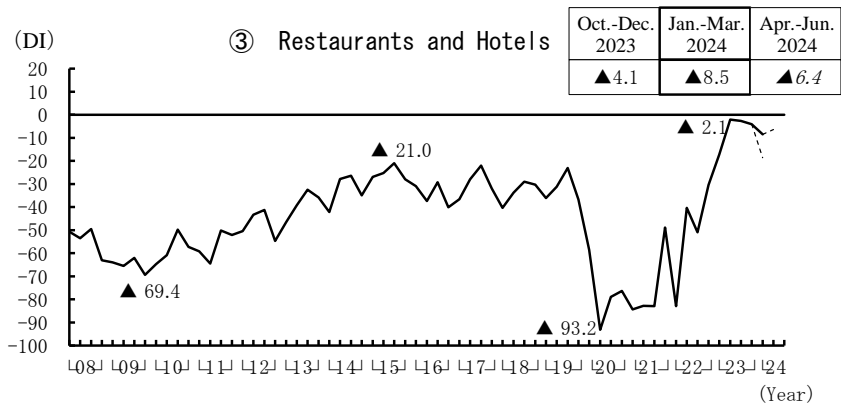
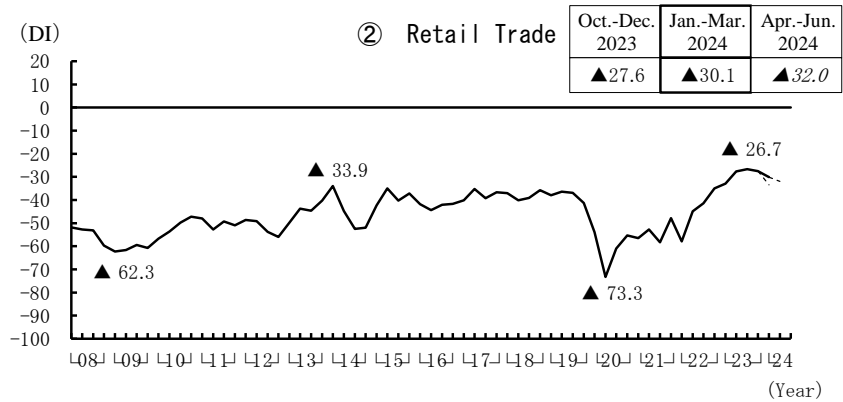
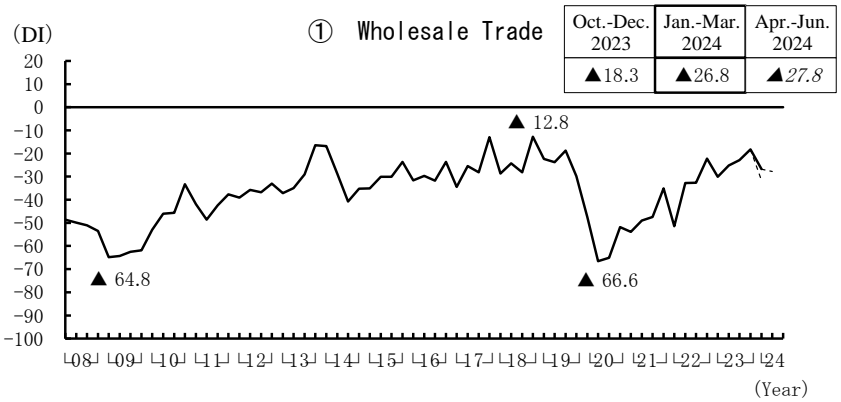
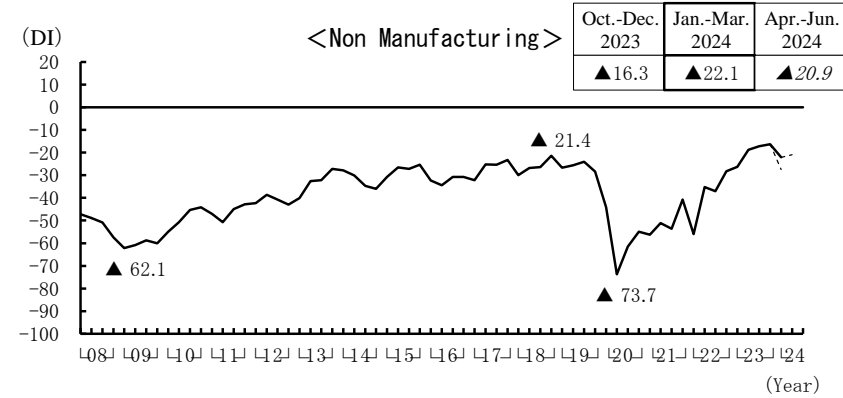
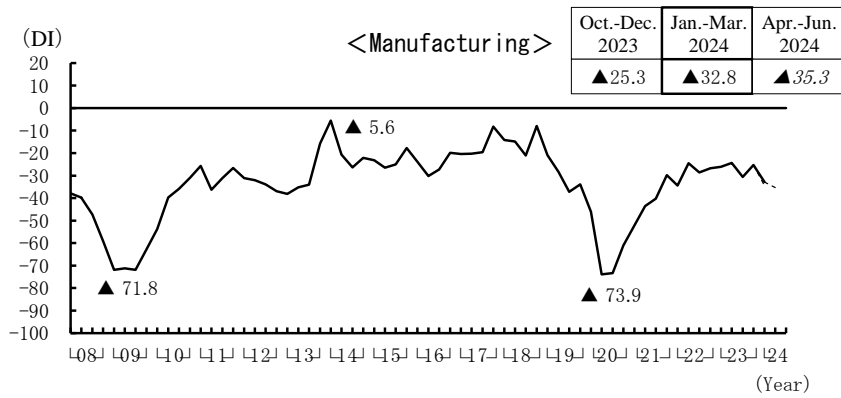
Figure 1-1 Business Sentiment DI (All Industries)



Note: 1 DI = percentage of answering "Good" minus percentage of answering "Bad" for the question: "How is your business sentiment?"

2 ——— is result, - - - - - is forecast. *Italic* indicates forecast.

Figure 1-2 Business Sentiment DI (By Industry)



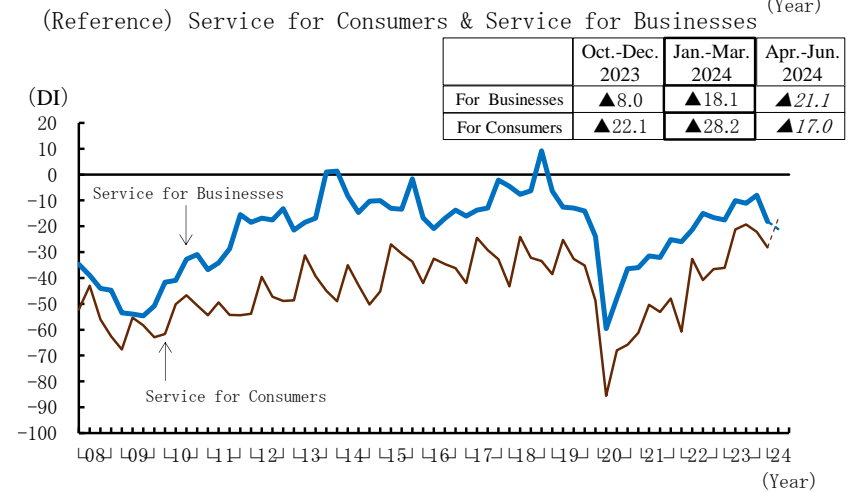
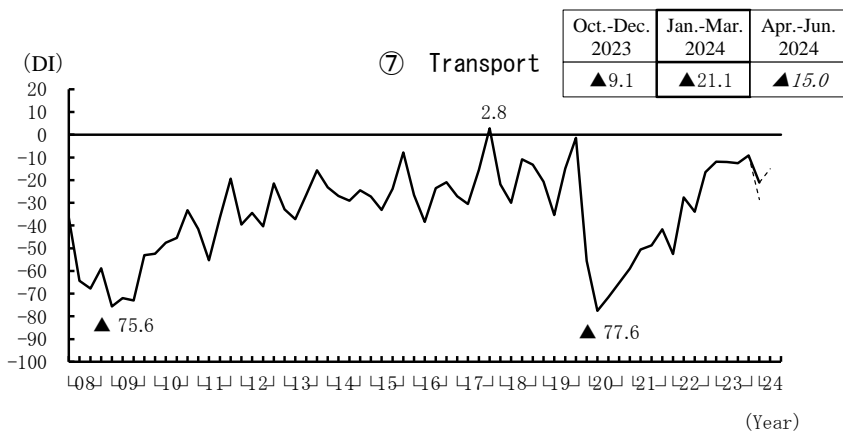
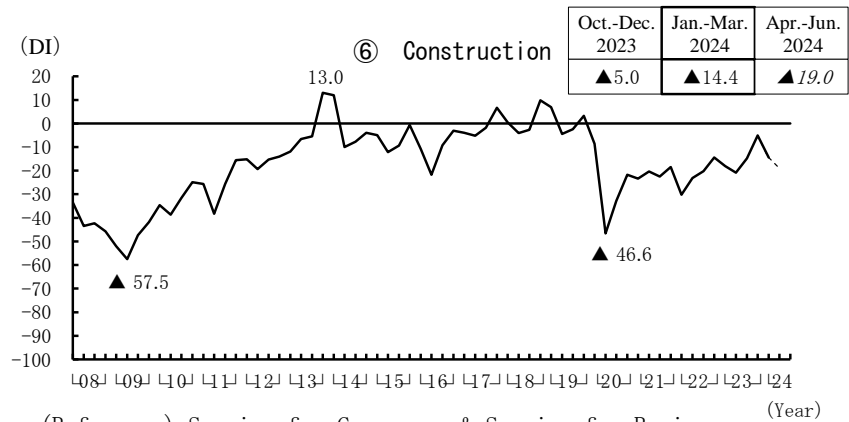
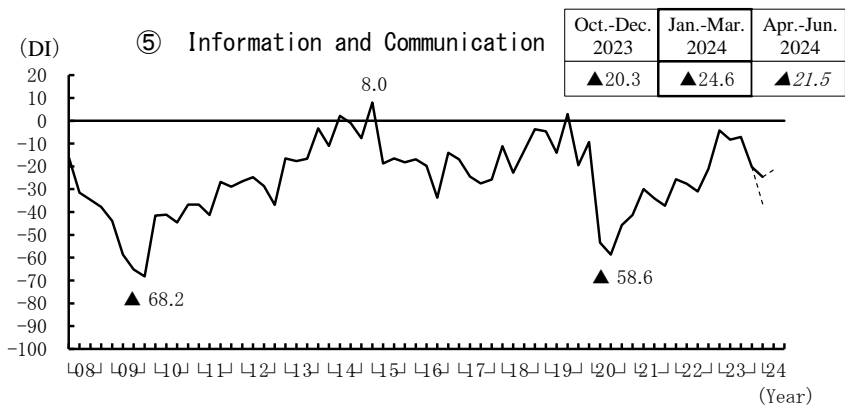
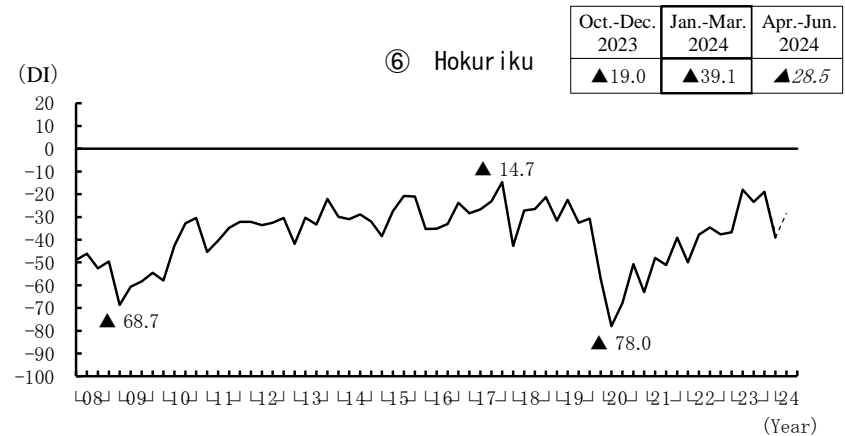
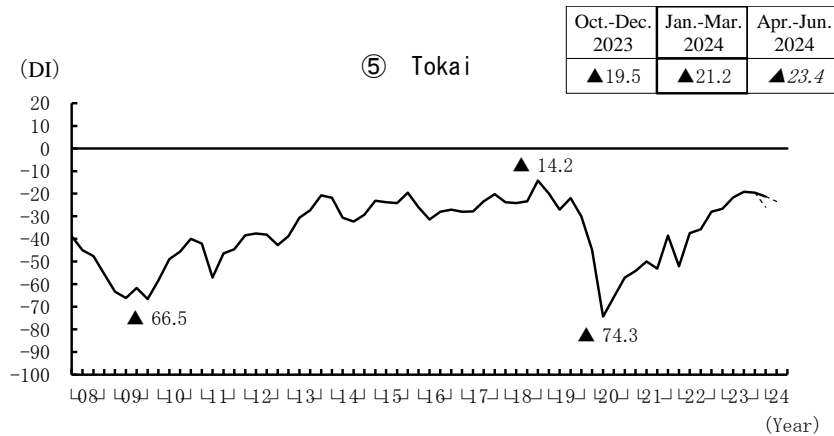
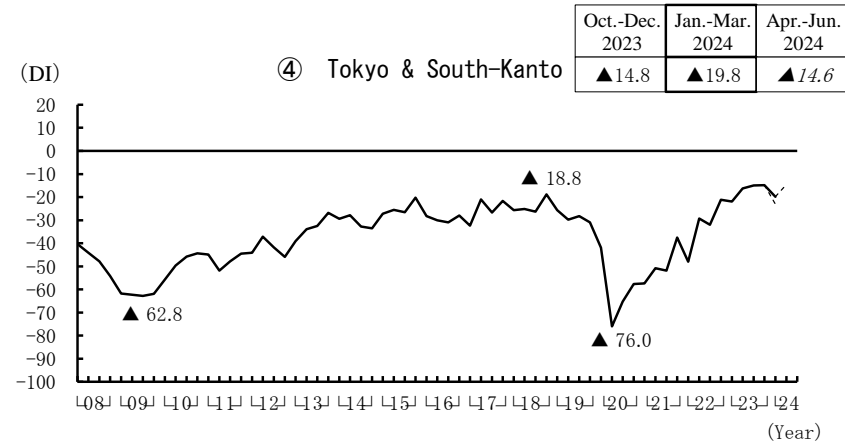
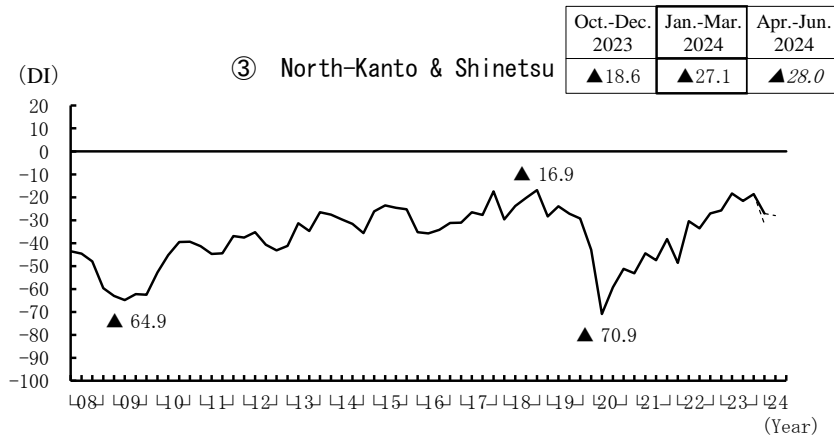
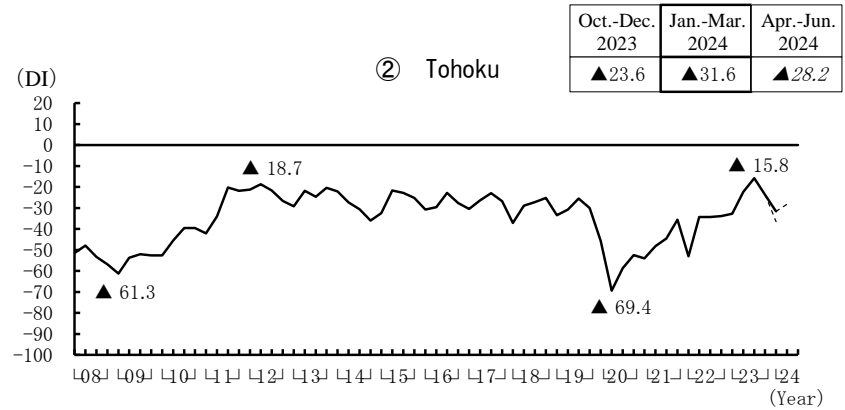
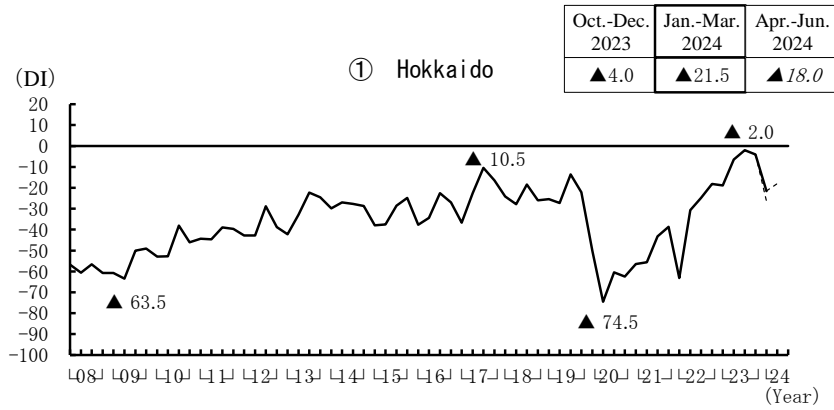
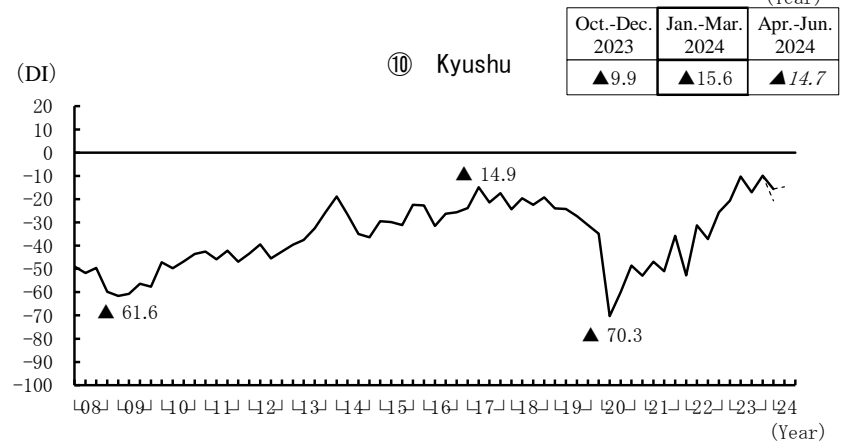
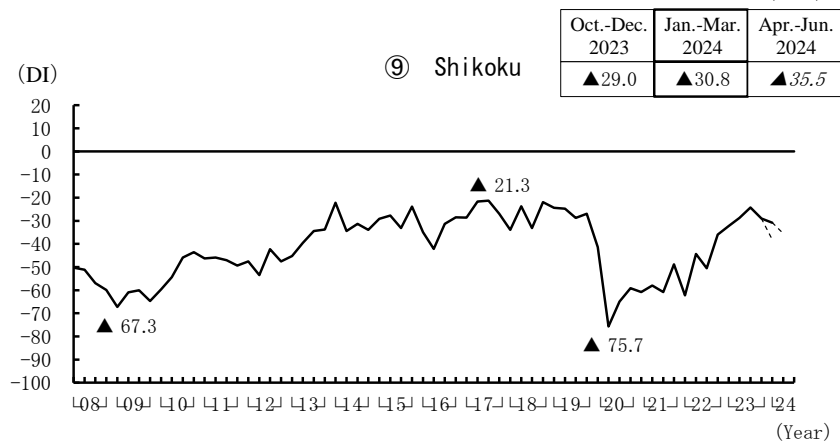
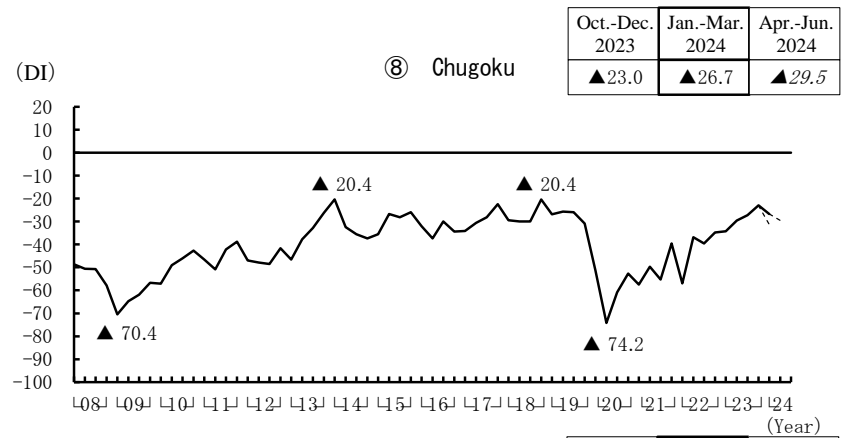
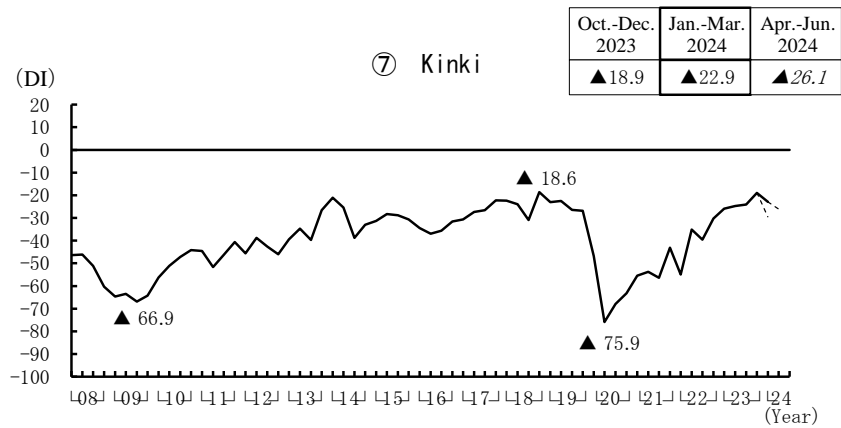


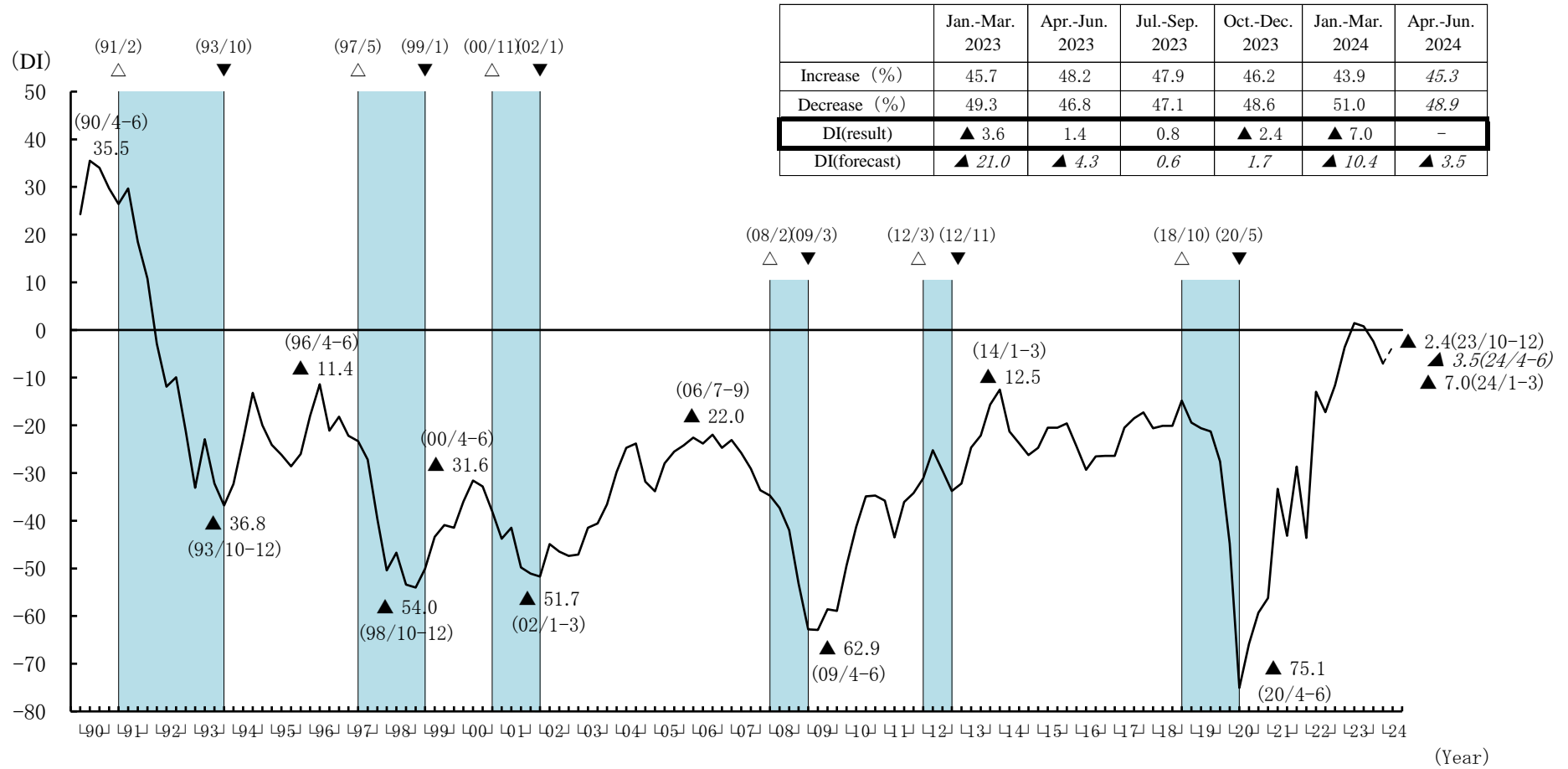
Figure 1-3 Business Sentiment DI (By District)





2 Sales

Figure 2 Sales DI (All Industries)

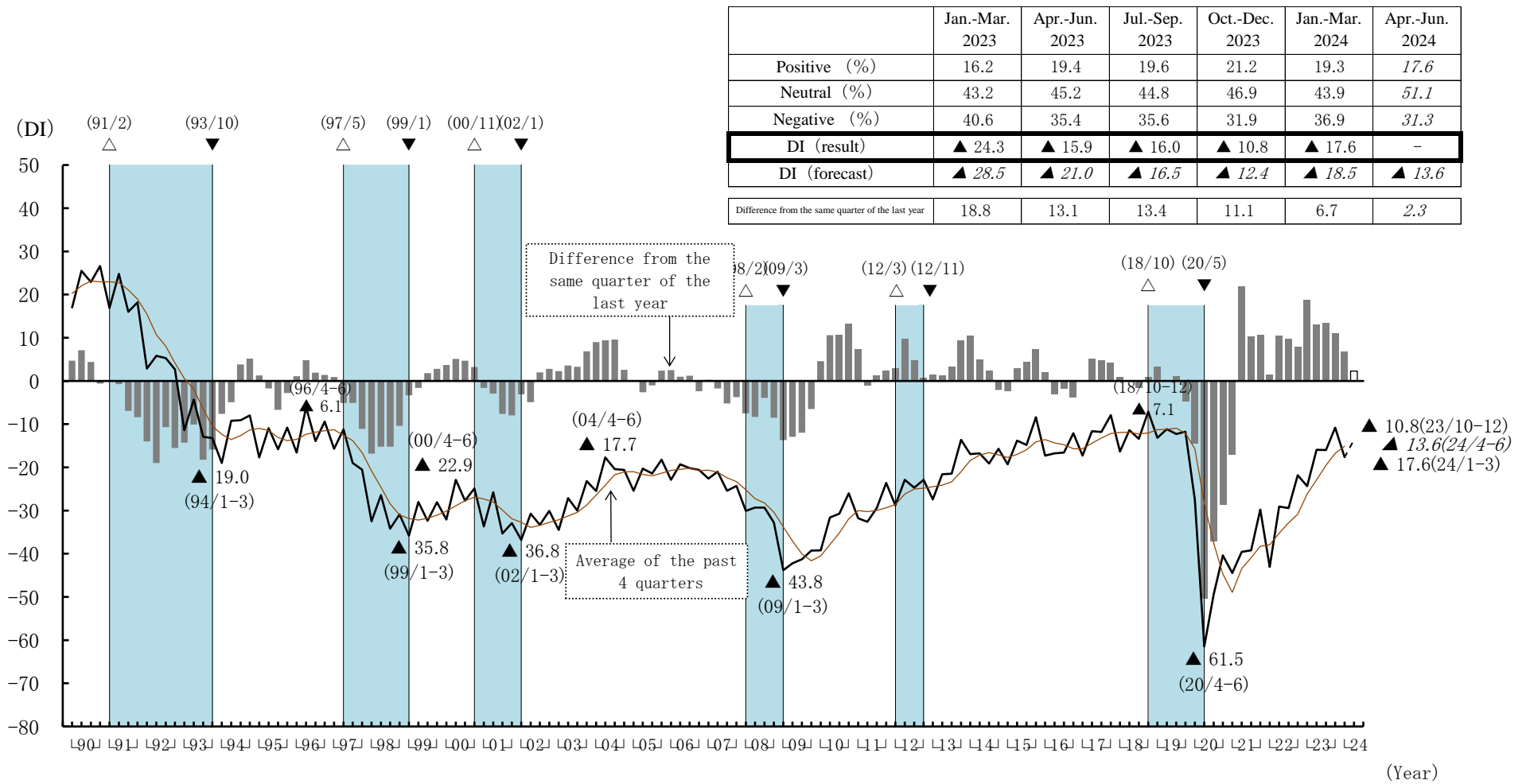


Note: 1 DI = percentage of answering "Increase" minus percentage of answering "Decrease" for the question: "How are your sales compared with those of the same quarter of the last year?"

2 ——— is result, - - - - - is forecast. *Italic* indicates forecast.

3 Profit

Figure 3 Profit DI (All Industries)

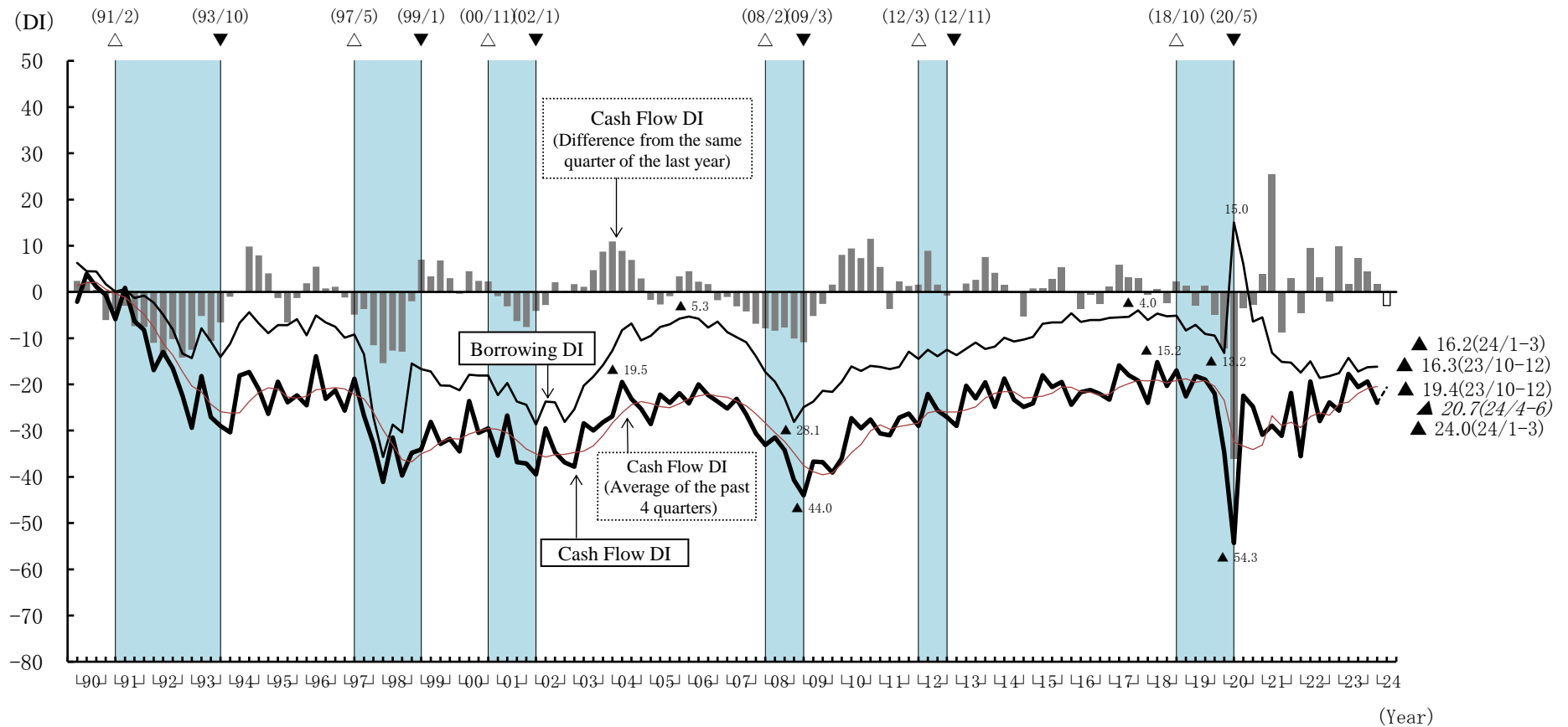


Note: 1 DI = percentage of answering "Positive" minus percentage of answering "Negative" for the question: "How is your profit?"

2 ——— is result, - - - - - is forecast. *Italic* indicates forecast.

3 White is the difference between the forecast and the result of the same quarter of the last year.

Figure 4 Cash Flow DI and Borrowing DI (All Industries)

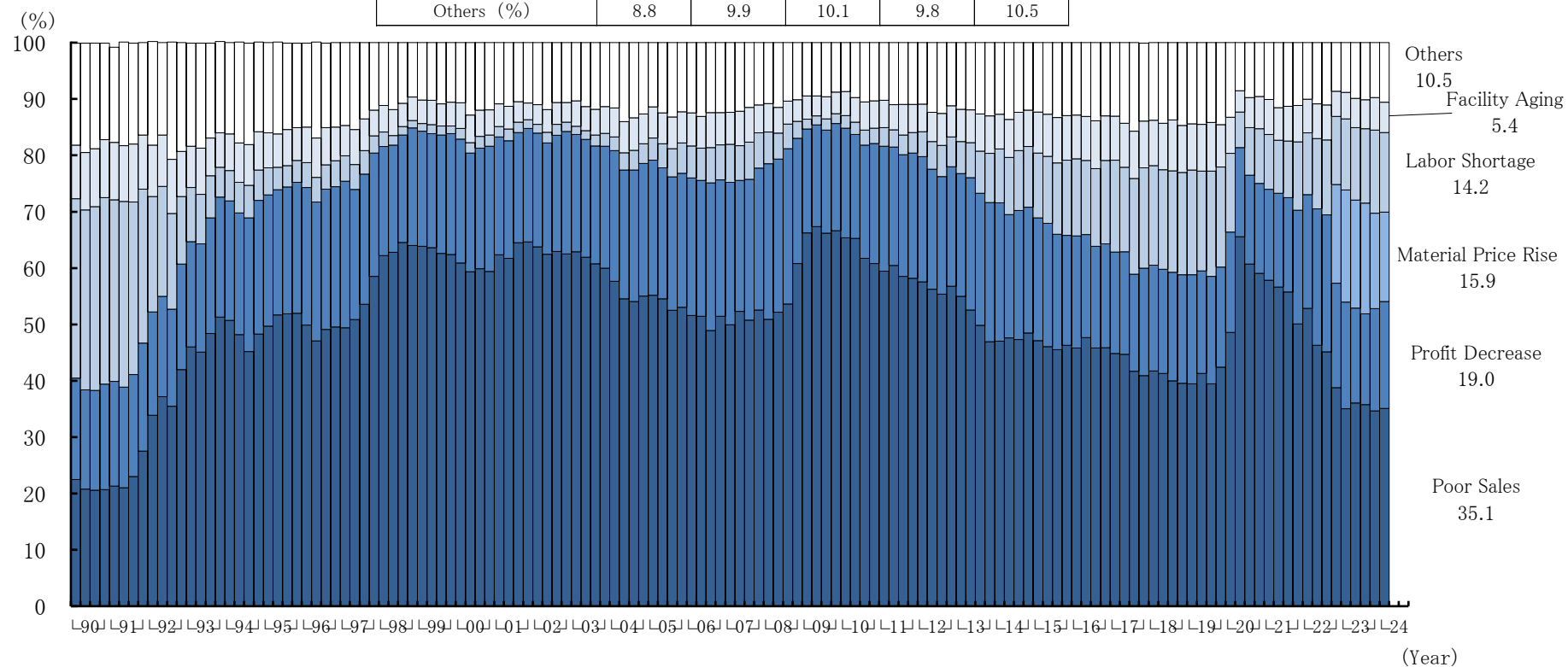


- Note: 1 Cash Flow DI = percentage of answering "Better" minus percentage of answering "Worse" for the question: "How is your cash flow position compared with the last quarter?"
- 2 Borrowing DI = percentage of answering "Easier" minus percentage of answering "More Difficult" for the question: "How is your money borrowing condition compared with the last quarter?"
- 3 — is result, - - - - - is forecast. *Italic* indicates forecast.
- 4 White is the difference between the forecast and the result of the same quarter of the last year.

5 Management Problems

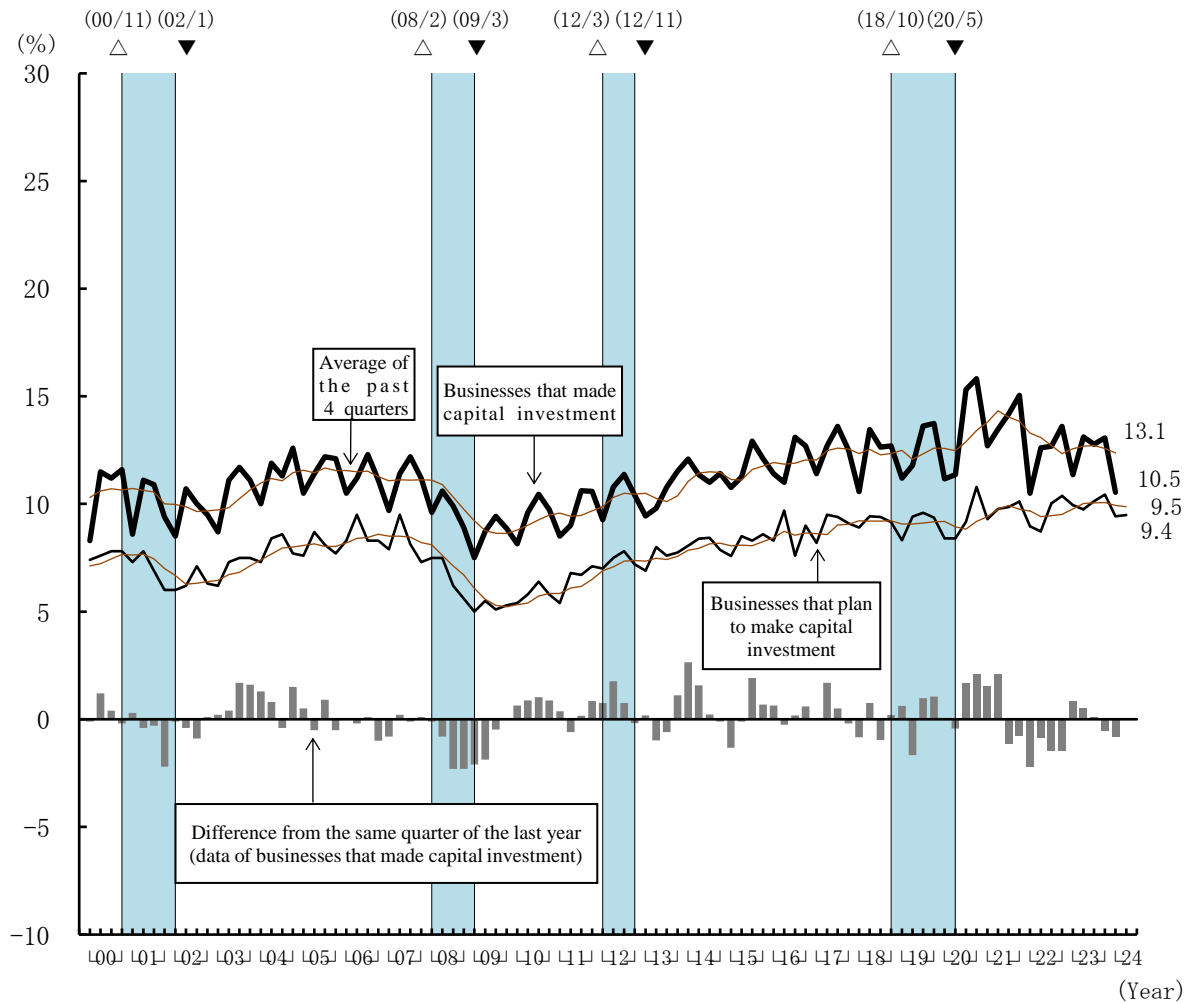
Figure 5 Management Problems (All Industries)

	Jan.-Mar. 2023	Apr.-Jun. 2023	Jul.-Sep. 2023	Oct.-Dec. 2023	Jan.-Mar. 2024
Poor Sales (%)	35.0	36.1	35.8	34.7	35.1
Profit Decrease (%)	18.9	16.8	16.1	18.1	19.0
Material Price Rise (%)	19.9	19.2	19.6	17.0	15.9
Labor Shortage (%)	12.6	12.9	13.2	14.7	14.2
Facility Aging (%)	4.7	5.2	5.1	5.8	5.4
Others (%)	8.8	9.9	10.1	9.8	10.5



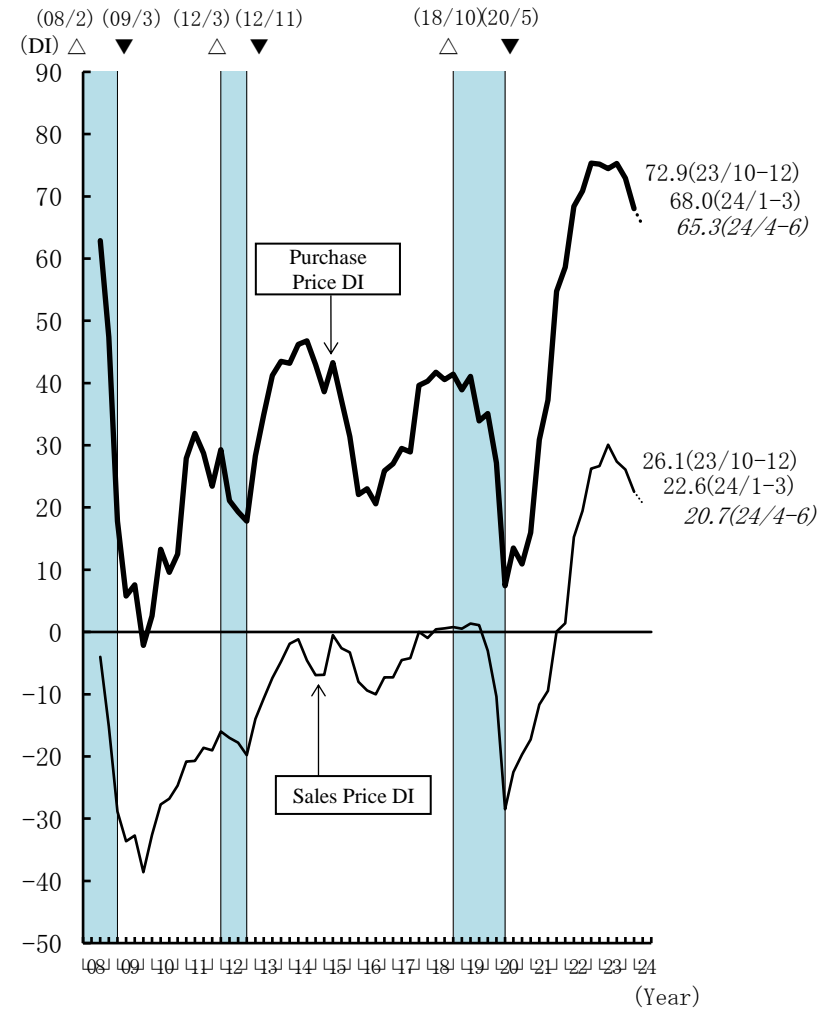
6 Capital Investment & Price

Figure 6 Capital Investment (All Industries)



Note: Indicated are the percentages of the Small and Micro Businesses that made capital investment during the quarter, and the percentages of the Small and Micro Businesses that plan to make capital investment in the future.

Figure 7 Sales Price DI & Purchase Price DI (All Industries)



Note: 1 DI = percentage of answering "Up" minus percentage of answering "Down" for the question: "How is the price change?"

2 ——— is result, - - - - - is forecast. *Italic* indicates forecast.

3 The question started from Jul.-Sep. 2008.

Small and Medium Enterprises

Jan. - Mar. 2024 (result) Apr. - Jun. 2024 (forecast) & Jul. - Sep. 2024 (forecast)

[Methodology]

Survey Date	March 1 - 25, 2024
Sample (Size)	JFC Customers (12,080 SMEs, basically with 20 workers or more)
Valid Responses	4,551 enterprises [Response Rate 37.7 %]

Note: CEO is not included in workers.

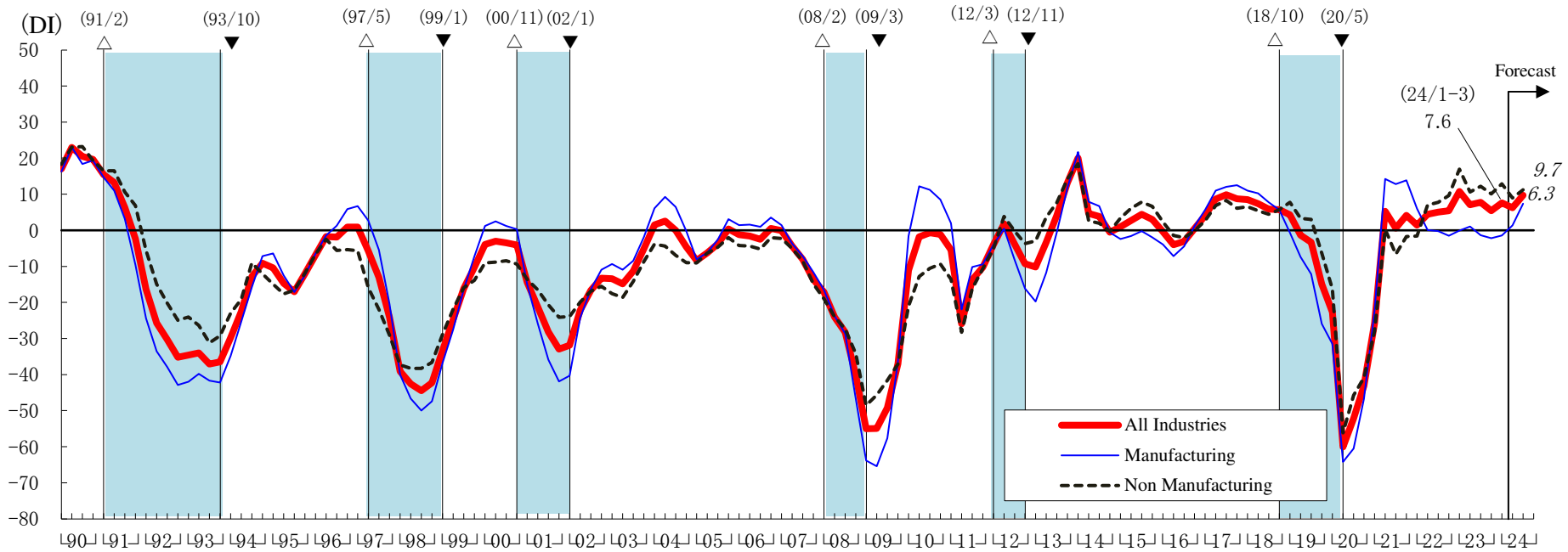
< Industries >

	Sample Size	Valid Responses	
Manufacturing	4,107	1,722	(37.8 %)
Mining	12	4	(0.1 %)
Construction	1,090	434	(9.5 %)
Transport (excluding Water Transport)	777	313	(6.9 %)
Water Transport	151	63	(1.4 %)
Warehousing	46	25	(0.5 %)
Information and Communication	337	102	(2.2 %)
Gas Distribution	10	8	(0.2 %)
Real Estate	715	250	(5.5 %)
Restaurants and Hotels	721	201	(4.4 %)
Wholesale Trade	1,697	647	(14.2 %)
Retail Trade	872	273	(6.0 %)
Services	1,545	509	(11.2 %)

1 Business Sentiment

Figure 1 Business Sentiment DI (Seasonally Adjusted)

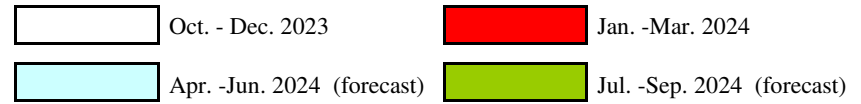
		Forecast								
		Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024	(forecast at the last survey)	Apr. - Jun. 2024	(forecast at the last survey)	Jul. - Sep. 2024
All Industries		10.8	7.1	7.7	5.4	7.6	(5.3)	6.3	(6.5)	9.7
	Manufacturing	▲ 0.1	1.1	▲ 1.3	▲ 2.2	▲ 1.5	(▲ 1.1)	1.4	(3.7)	7.4
	Non Manufacturing	16.9	10.6	12.2	10.0	12.9	(8.2)	8.9	(7.8)	11.2



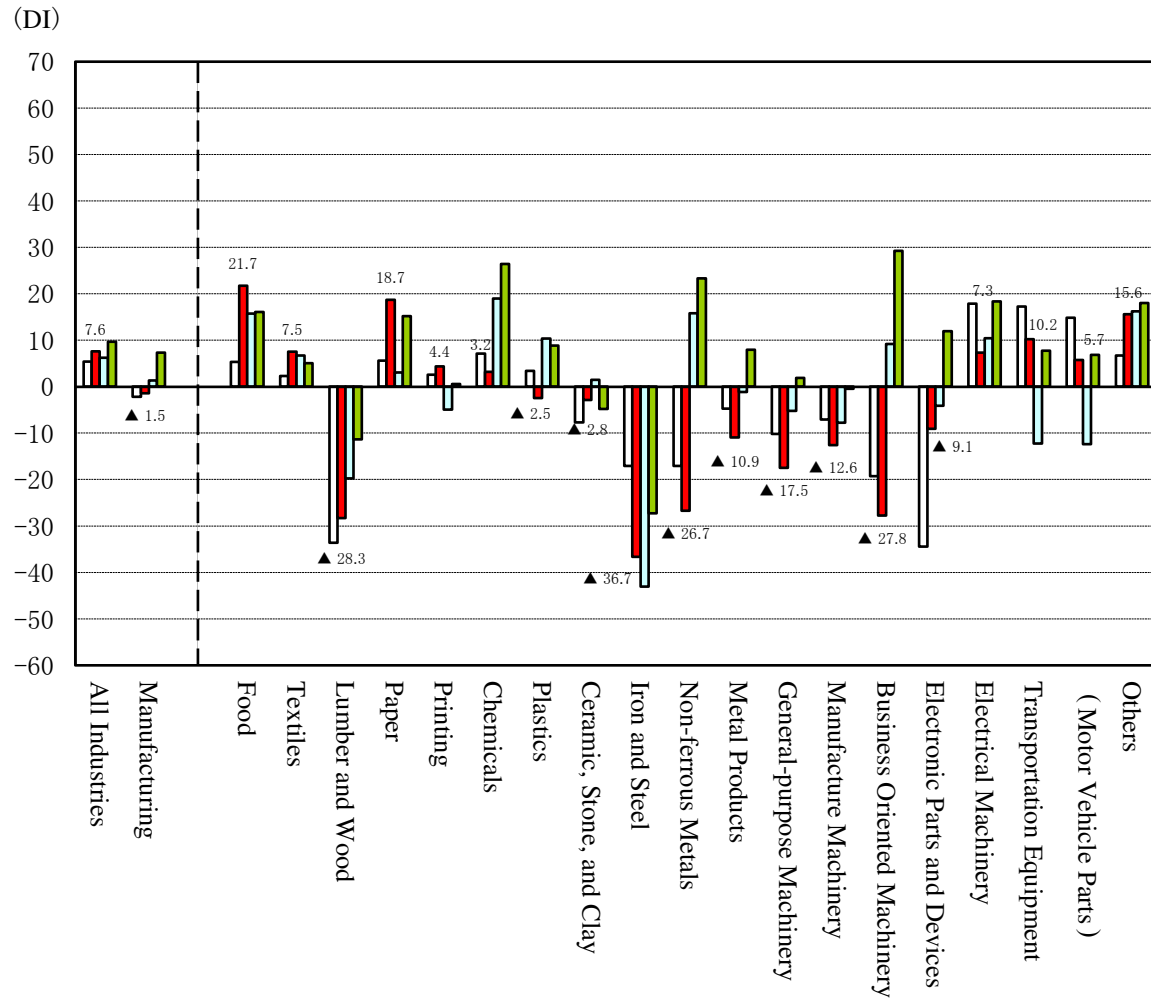
Note: 1 DI = percentage of answering "Better" minus percentage of answering "Worse" for the question: "How is your business sentiment change compared with the same quarter of the last year" (Seasonally Adjusted).

(Year)

Figure 2 Business Sentiment DI (By Industry, Seasonally Adjusted)



— Manufacturing —



— Non Manufacturing —

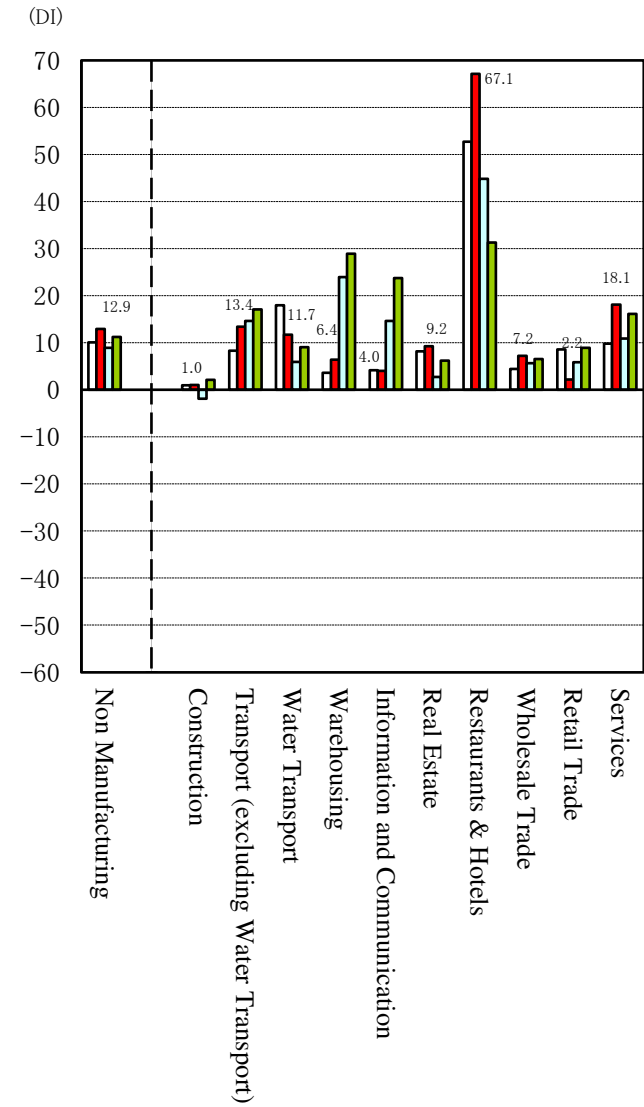
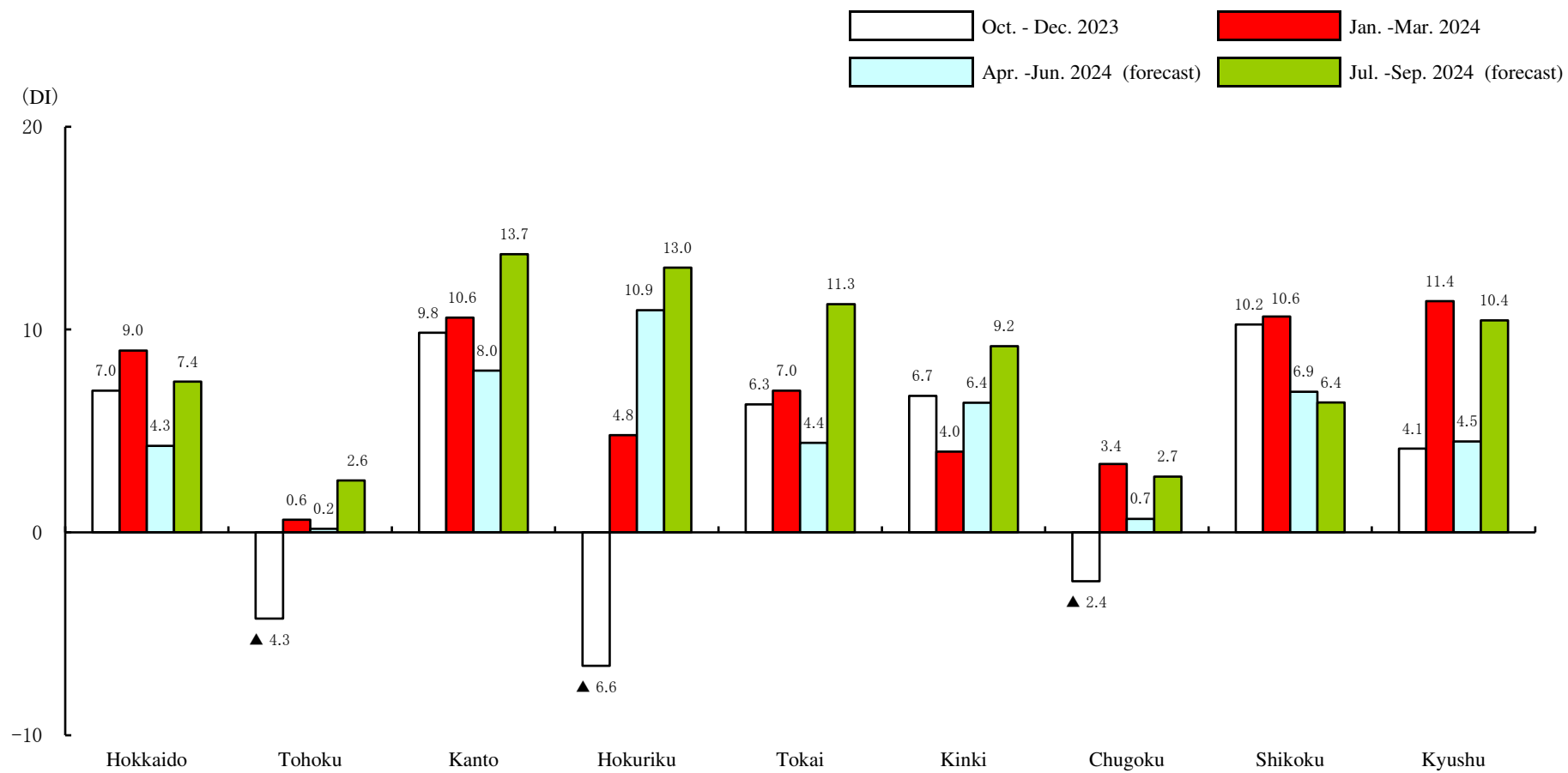


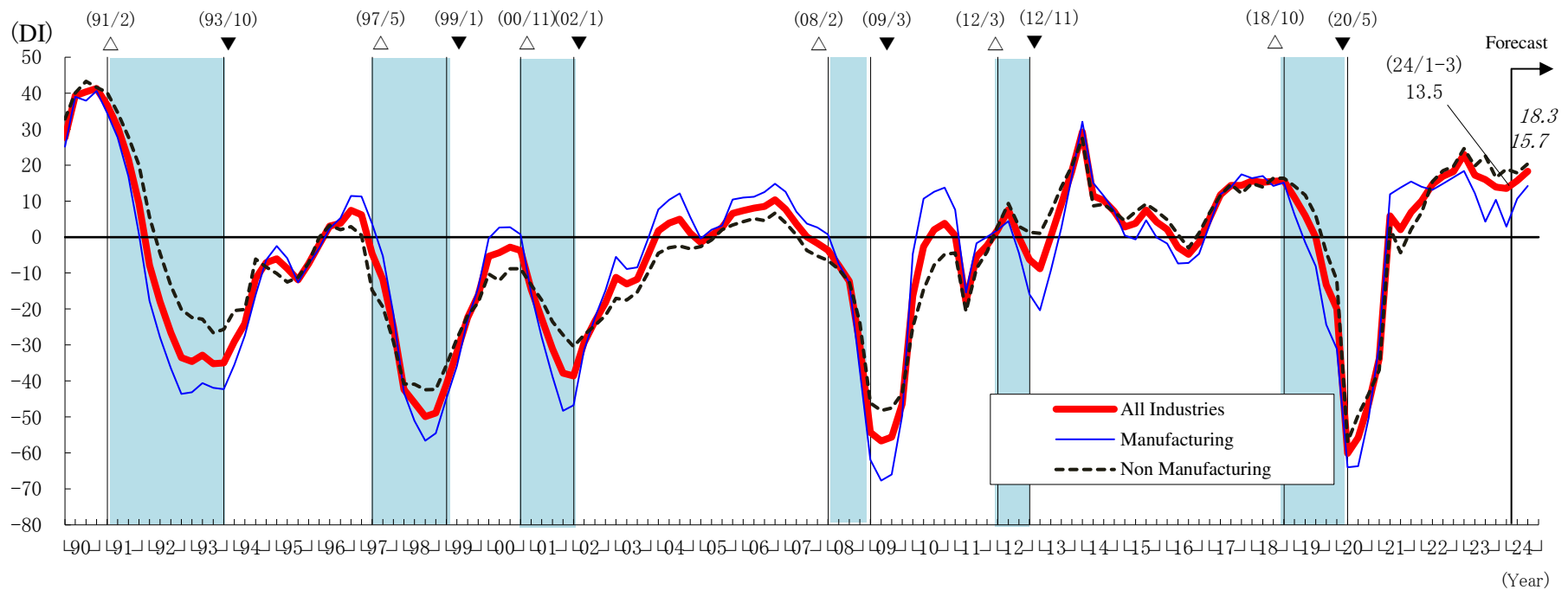
Figure 3 Business Sentiment DI (By District, Seasonally Adjusted)



2 Sales

Figure 4 Sales DI (Seasonally Adjusted)

					Forecast				
	Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024	(forecast at the last survey)	Apr. - Jun. 2024	(forecast at the last survey)	Jul. - Sep. 2024
All Industries	23.0	17.2	15.9	13.9	13.5	(14.6)	15.7	(15.2)	18.3
Manufacturing	18.4	12.2	4.2	10.3	2.9	(10.5)	10.6	(14.8)	14.2
Non Manufacturing	24.6	19.8	22.5	16.5	18.9	(17.5)	17.8	(15.7)	20.4

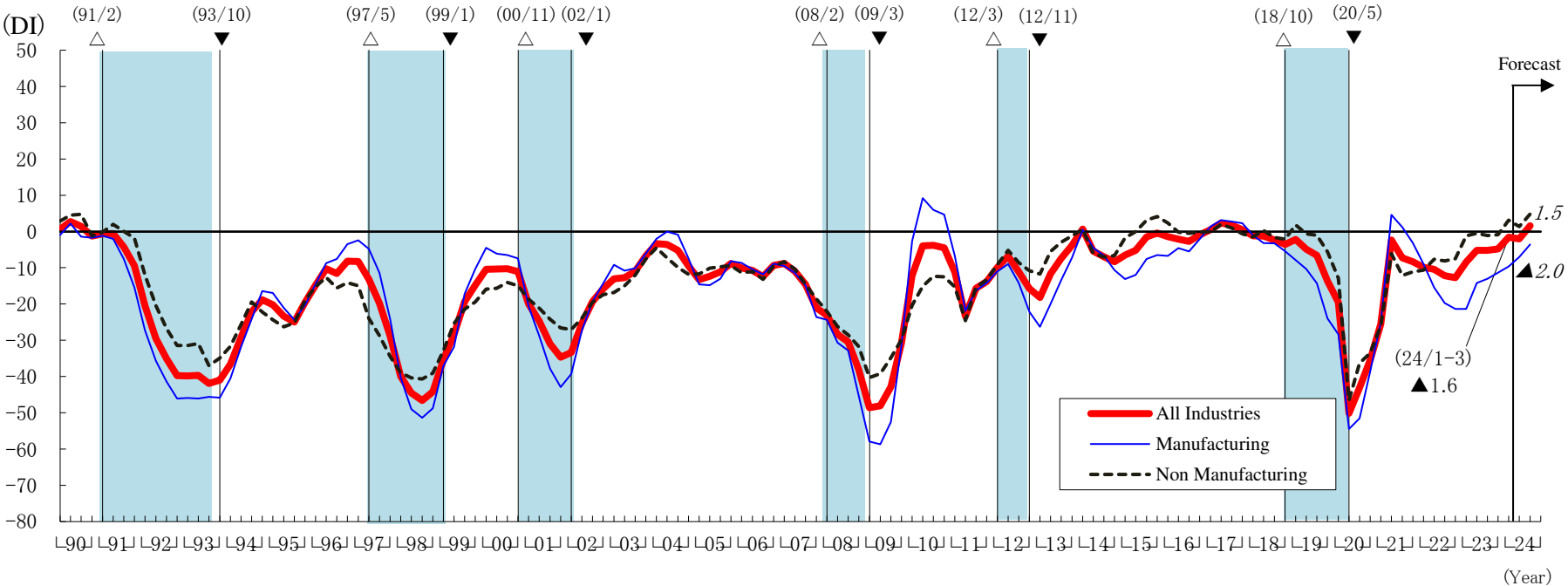


Note: DI = percentage of answering "Increase" minus percentage of answering "Decrease" for the question: "How are your sales compared with those of the same quarter of the last year?"

3 Profit

Figure 5 Profit DI (Seasonally Adjusted)

						Forecast				
		Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024	(forecast at the last survey)	Apr. - Jun. 2024	(forecast at the last survey)	Jul. - Sep. 2024
All Industries		▲ 8.4	▲ 5.2	▲ 5.2	▲ 4.8	▲ 1.6	(▲ 3.0)	▲ 2.0	(▲ 2.4)	1.5
	Manufacturing	▲ 21.3	▲ 14.2	▲ 13.0	▲ 11.3	▲ 9.6	(▲ 8.4)	▲ 7.1	(▲ 5.1)	▲ 3.5
	Non Manufacturing	▲ 1.2	▲ 0.5	▲ 1.1	▲ 0.9	3.1	(▲ 0.2)	1.3	(▲ 1.1)	4.8

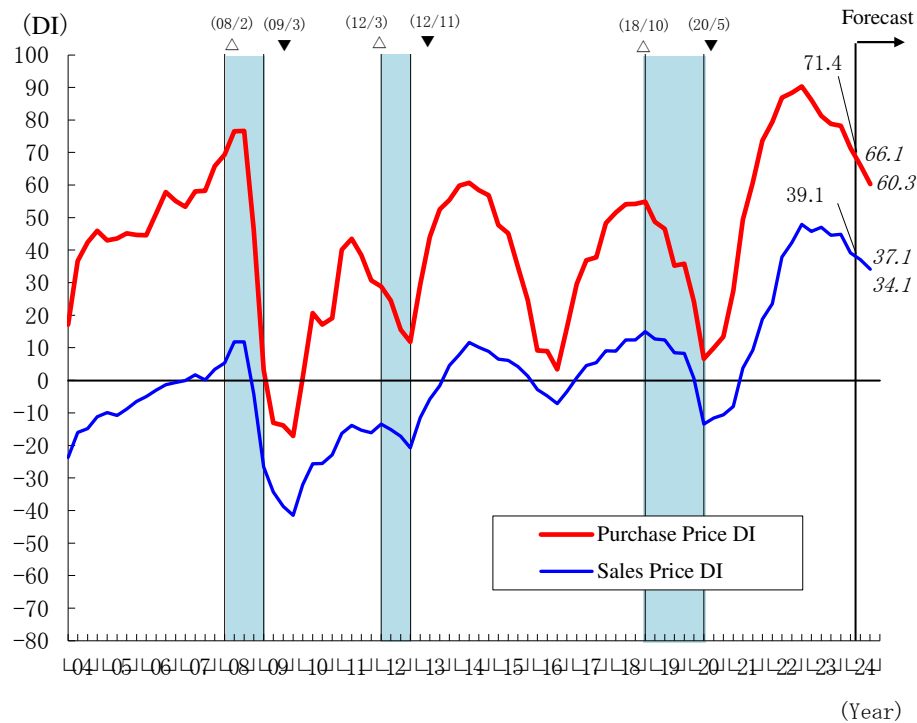


Note: DI = percentage of answering "Increase" minus percentage of answering "Decrease" for the question: "How is your net profit ratio compared with the same quarter of the last year?"

4 Price and Finance

Figure 6 Sales Price DI & Purchase Price DI

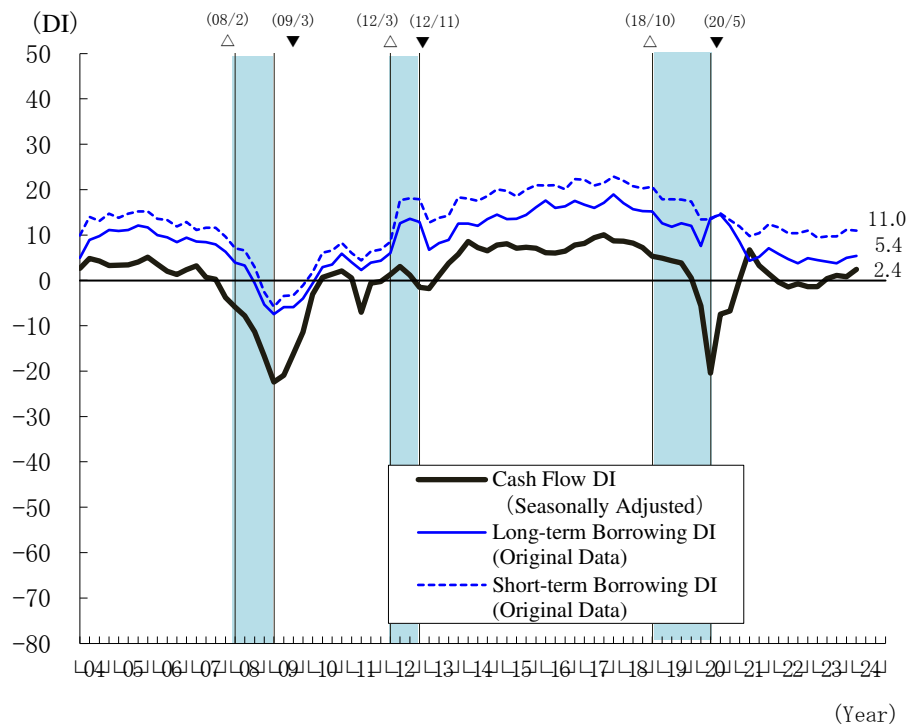
	Forecast →						
	Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024	Apr. - Jun. 2024	Jul. - Sep. 2024
Sales Price DI	45.7	47.0	44.6	44.9	39.1	37.1	34.1
Purchase Price DI	86.2	81.2	78.8	78.2	71.4	66.1	60.3



Note: DI = percentage of answering "Up" minus percentage of answering "Down" compared with the same quarter of the last year.

Figure 7 Finance DIs

	Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024
Cash Flow DI	▲ 1.4	0.4	1.1	0.8	2.4
Long-term Borrowing DI	4.5	4.1	3.8	5.0	5.4
Short-term Borrowing DI	9.4	9.7	9.7	11.2	11.0



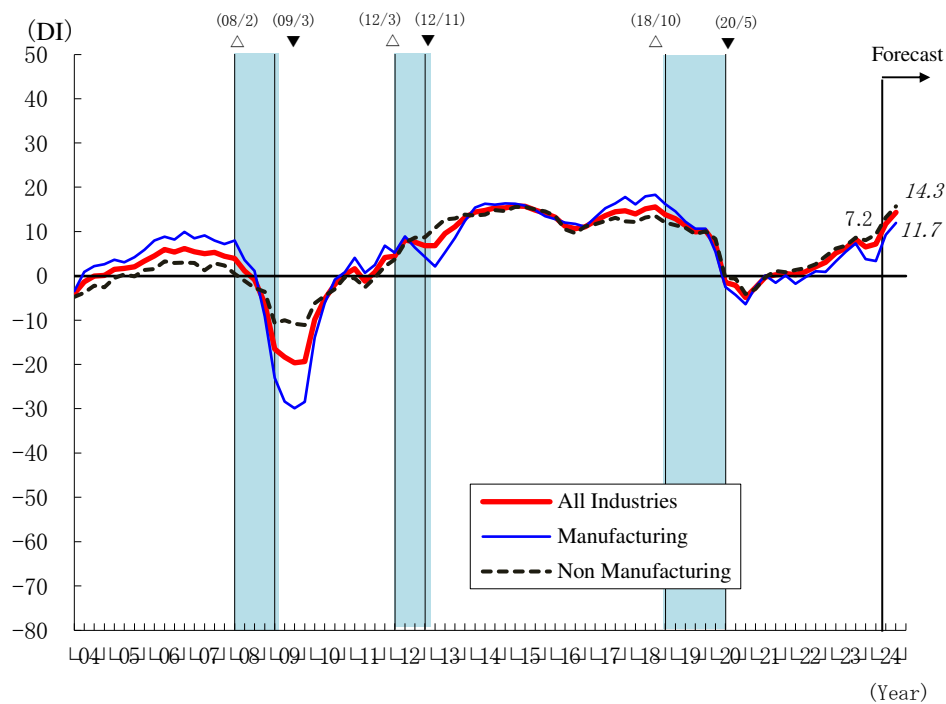
Note: 1 Cash Flow DI = percentage of answering "Better" minus percentage of answering "Worse" for the question: "How is your cash flow position compared with the same quarter of the last year?"

2 Borrowing DI (Long-term & Short-term) = percentage of answering "Easier" minus percentage of answering "More Difficult" for the question: "How is your money borrowing condition compared with the same quarter of the last year?"

5 Employment & Capital Investment

Figure 8 Employment DI (Seasonally Adjusted)

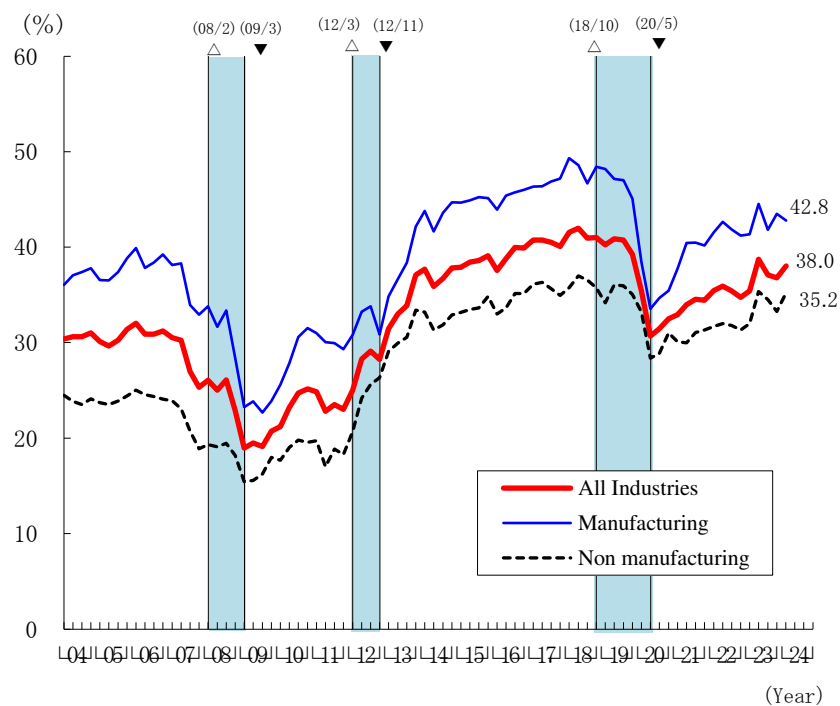
	Forecast						
	Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024	Apr. - Jun. 2024	Jul. - Sep. 2024
All Industries	5.1	6.3	8.3	6.5	7.2	11.7	14.3
Manufacturing	3.3	5.4	7.3	3.8	3.4	9.3	12.0
Non Manufacturing	6.1	6.8	8.6	8.1	9.3	13.2	15.8



Note: DI = percentage of SMEs increasing employees minus percentage of SMEs decreasing employees compared with the same quarter of the last year.

Figure 9 Capital Investment (Seasonally Adjusted)

	Jan. - Mar. 2023	Apr. - Jun. 2023	Jul. - Sep. 2023	Oct. - Dec. 2023	Jan. - Mar. 2024
	All Industries	35.4	38.7	37.1	36.8
Manufacturing	41.3	44.5	41.8	43.5	42.8
Non Manufacturing	32.0	35.3	34.5	33.3	35.2



Note: Data indicated are the percentages of the SMEs that made capital investment during the quarter.

6 Management Problems

Figure 10 Management Problems (All Industries)

