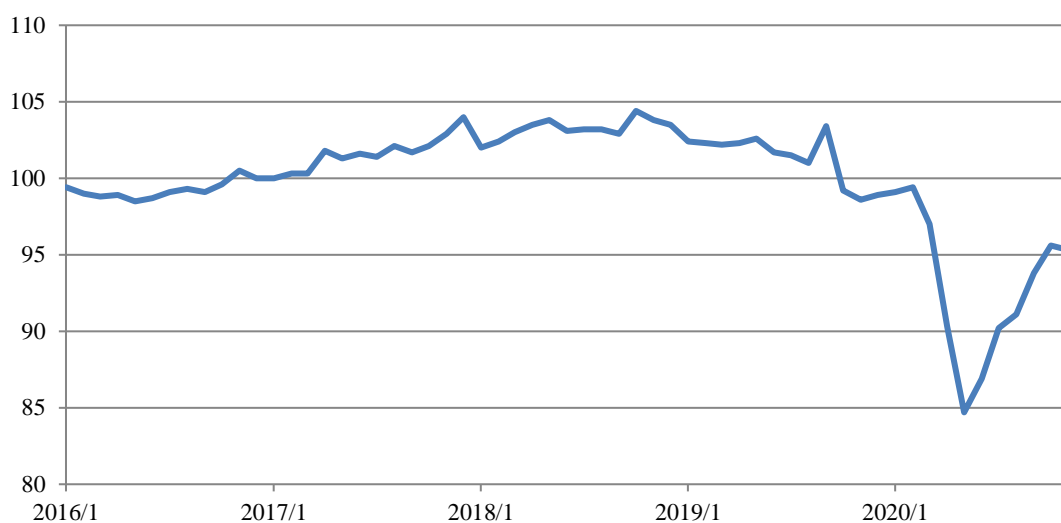


# Nikkei Business Index FactSheet

Nikkei Business Index is designed to reflect the economic trends broadly. To combine the change rate of indicators which represent 3 aspects (production, demand, labor) of the economics, it indicates not only the economic trends but also the economic levels. It is calculated based on 3 indices ("Industrial Production", "Commercial Sales Value", "Active Job Openings-to-Applicants Ratio") and has been calculated and announced monthly since June 2000 (retroactively calculated in the past to January 1973). At present, the year 2015 is specified as the reference year (100 in 2015). The reference year is periodically reviewed.

Nikkei Business Index is applied to Stock and Watson methodology which was developed by US economists James Stock and Mark Watson. It estimates the common elements in plural economic indicators using Kalman filter, one of the time-series analysis methods. As it consists of only flash monthly indicators, it has the advantage that data are able to be calculated approximately at the end of next month.

## ■ Graph (Nov/2020)



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