

S&P Global Japan Manufacturing PMI[®]

Manufacturing PMI hits 45-month high in February

February 2026

Output, new orders and employment all expand at steepest rates since January 2022

Inflationary pressures ease but remain historically sharp

Business confidence rebounds to 20-month high

Japanese manufacturing companies signalled a firmer recovery in business conditions in February, with rates of output, new order and employment growth all accelerating since January.

The improved demand environment led firms to become more optimistic around the one-year outlook for output, and drove a solid rise in purchasing activity. However, prices data signalled that inflationary pressures remained elevated, despite easing since the start of the year.

The headline S&P Global Japan Manufacturing Purchasing Managers' Index™ (PMI) – a composite single-figure indicator of manufacturing performance – picked up from 51.5 in January to 53.0 in February, signalling a back-to-back monthly improvement in the health of the sector. Furthermore, the pace of increase was the most pronounced since May 2022 and solid.

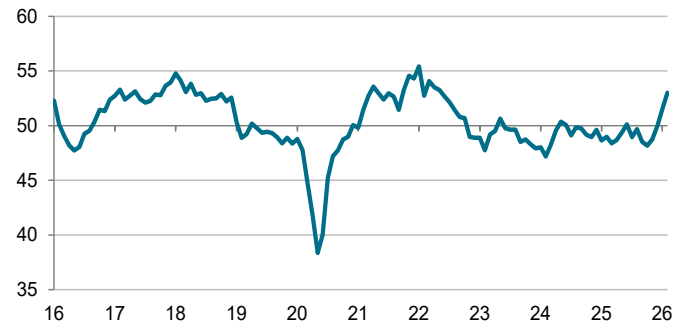
Sub-sector data indicated that business conditions strengthened across the investment and intermediate goods industries, but stagnated at makers of consumer goods.

One key factor driving the PMI higher was a stronger increase in manufacturing production in February. Output expanded at a solid rate that was the fastest in just over four years, with companies often attributing the upturn to increased amounts of new business.

Total new orders likewise expanded at a solid pace that was the fastest since January 2022. There were reports that more favourable demand conditions globally and new product releases had supported sales growth. Furthermore, new export business rose to the greatest extent since June 2021, with firms citing greater customer demand across key regions such as Europe and other parts of Asia.

Employment across Japan's manufacturing industry increased further in February, thereby stretching the current period of job creation to 15 months. The rate of payroll growth was solid, having accelerated to the fastest in just over four years. Firms widely commented on adding to their headcounts in order to expand capacity amid the sustained upturn in sales.

S&P Global Japan Manufacturing PMI
Index, sa, >50 = improvement m/m



Data were collected 9-20 February 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

Annabel Fiddes, Economics Associate Director at S&P Global Market Intelligence

"The latest set of PMI data suggest that the recovery of Japan's manufacturing industry gained pace in February, with companies signalling the quickest increases in output, sales, employment and purchasing activity for more than four years.

"Firms were also much more upbeat about the year-ahead, with confidence rising to the highest since mid-2024. There were expectations that global demand conditions will continue to revive and push up sales in the months ahead, particularly in key sectors such as technology and automotives.

"Although it was encouraging to see a slight softening of cost pressures, input price inflation remained elevated by historical standards in February. Companies noted that a variety of factors had gone up in price, which was compounded by a weak yen exchange rate. Nonetheless, if demand continues to strengthen, firms will be in a better position to pass on these higher costs to customers, thereby helping to alleviate pressures on operating margins."

Capacity pressures persisted, however, which was signalled by a further rise in unfinished workloads. That said, the rate of backlog accumulation remained marginal overall.

Firms scaled up their purchasing activity for the second straight month in February, with panellists often linking the increase to rising production requirements. The rate of growth was the quickest seen since May 2022 and solid. However, companies maintained a relatively cautious approach to inventory levels, with both stocks of pre- and post-production items declining again midway through the first quarter. That said, rates of depletion were marginal in both cases.

Latest survey data pointed to greater pressure on supply chains, with average vendor performance deteriorating at a steeper pace in February. There were reports that stock and staff shortages at suppliers and shipping delays had impacted lead times.

Higher prices for raw materials, labour and transport all drove a further rise in average input costs during February, according to panellists. A weak yen exchange rate was also cited as having pushed up expenses. While the overall rate of input price inflation eased from January, it remained sharp in the context of historical data. Companies generally responded to rising costs by raising their own selling prices in February. The rate of charge inflation slowed from January's 19-month high, but remained marked.

Business confidence regarding the 12-month outlook for production rebounded to its highest level since June 2024 in February. Firms were often hopeful that a further recovery in global demand conditions and new product releases will support growth. There were also a number of companies that expressed optimism following the recent re-election of the Takaichi administration.

Methodology

The S&P Global Japan Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in October 2001.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

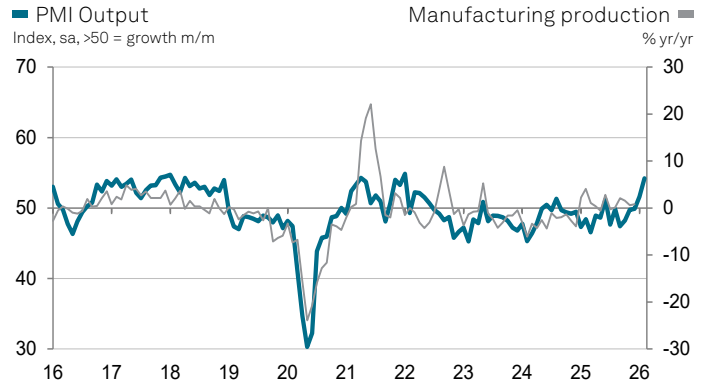
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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PMI by S&P Global

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