

Embargoed until 0930 JST (0030 UTC) 24 May 2022

# au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

## Private sector output rises at fastest pace since December

### Key findings

Flash Composite Output Index, May: 51.4  
(April Final: 51.1)

Flash Services Business Activity Index, May: 51.7  
(April Final: 50.7)

Flash Manufacturing Output Index, May: 50.8  
(April Final: 52.1)

Today sees the latest release of the au Jibun Bank Flash Japan Composite PMI®. Published on a monthly basis approximately one week before final PMI data are released, this makes the PMI the earliest available indicator of private sector operating conditions in Japan. The estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate indication of final PMI data.

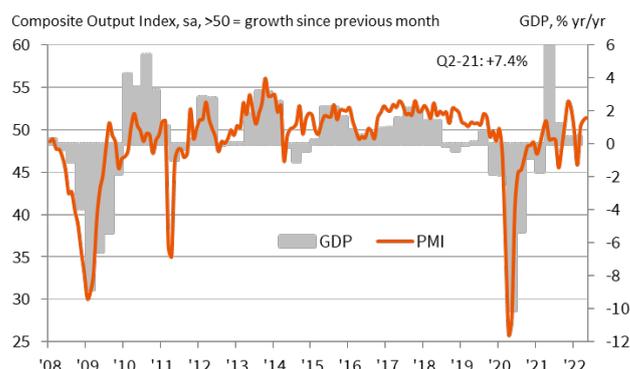
Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

*“Flash PMI data indicated that activity at Japanese private sector businesses remained in expansion territory for the third consecutive month midway through the second quarter of 2022. Moreover, the rate of growth quickened from April to the sharpest seen since last December, led by the strongest rise in services activity for five months. On the other hand, the expansion in manufacturing output was the softest recorded in the current three-month growth sequence.*

*“Private sector firms reported that the reduced impact of COVID-19 had lifted services activity, most notably in the tourism sector as pandemic-related restrictions were eased further. That said, the renewed introduction of lockdown measures across China and economic sanctions placed on Russia amid the Ukraine war had exacerbated supply chain disruptions, with greater reports of material shortages and severe delivery delays.*

*“As a result, there was a further intensification in price pressures across the private sector, as firms reported series-record rises in both input and output prices. Moreover, uncertainty regarding the outlook for price and supply conditions dampened business confidence, which was at its softest since August 2021.”*

### au Jibun Bank Japan Composite Output Index



Sources: au Jibun Bank, S&P Global, Cabinet Office.

### Index summary

Index	Sector	Interpretation
<b>Output</b>	<b>Composite</b>	<b>Stronger growth</b>
	Manufacturing	Weaker growth
	Services	Stronger growth
<b>New Orders</b>	<b>Composite</b>	<b>Growth, from no change</b>
	Manufacturing	Weaker growth
	Services	Growth, from decline
<b>New Export Orders</b>	<b>Composite</b>	<b>Stronger decline</b>
	Manufacturing	Stronger decline
	Services	Decline, from growth
<b>Employment</b>	<b>Composite</b>	<b>Unchanged rate of growth</b>
	Manufacturing	Stronger growth
	Services	Weaker growth
<b>Backlogs of Work</b>	<b>Composite</b>	<b>Growth, from decline</b>
	Manufacturing	Stronger growth
	Services	Growth, from decline
<b>Output Prices</b>	<b>Composite</b>	<b>Stronger inflation</b>
	Manufacturing	Weaker inflation
	Services	Inflation, from no change
<b>Input Prices</b>	<b>Composite</b>	<b>Stronger inflation</b>
	Manufacturing	Stronger inflation
	Services	Stronger inflation
<b>Future Output</b>	<b>Composite</b>	<b>Weaker positive outlook</b>
	Manufacturing	Stronger positive outlook
	Services	Weaker positive outlook
Stocks of Purchases	Manufacturing	Stronger growth
Stocks of Finished Goods	Manufacturing	Stronger decline
Quantity of Purchases	Manufacturing	Weaker growth
Suppliers' Delivery Times	Manufacturing	Stronger lengthening

PMI®

by S&P Global

## au Jibun Bank Flash Japan Manufacturing PMI®

The au Jibun Bank Japan Manufacturing PMI® is compiled by S&P Global from survey responses from a panel of around 400 manufacturers. The headline figure is the Purchasing Managers' Index (PMI), a composite single-figure indicator of manufacturing performance. 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.

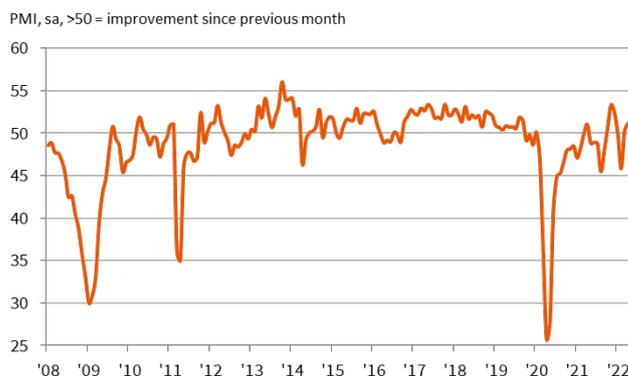
At 53.2 in May, the headline au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index™ (PMI)® – which measures the overall health of the manufacturing sector – eased slightly from 53.5 in April to signal a moderate improvement in operating conditions that was nonetheless the softest since February. Both output and new order growth slowed to a marginal pace that was the weakest for three months. Manufacturers commonly noted heightened supply chain pressures, as delivery times lengthened to the greatest extent since the earthquake and tsunami in April 2011, exacerbated by material shortages and renewed lockdown restrictions in China. This contributed to the third-strongest increase in input prices in the survey history.

## au Jibun Bank Flash Japan Services PMI®

The au Jibun Bank Japan Services PMI® is compiled by S&P Global from survey responses from a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The headline figure is the Services Business Activity Index, which tracks changes in the volume of business activity compared with one month previously. A reading above 50 indicates an overall increase compared to the previous month, and below 50 an overall decrease.

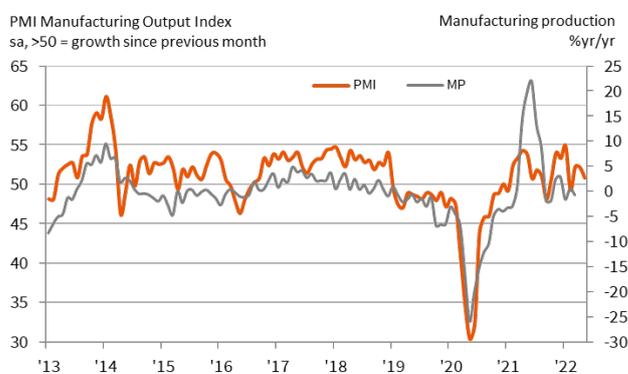
The au Jibun Bank Flash Japan Services Business Activity Index improved to a five-month high, rising from 50.7 in April to 51.7 in May. The easing of pandemic-related restrictions and the diminishing impact of the virus were cited as key reasons for the uplift, notably in the tourism sector. Concurrently, the level of new business received returned to expansion territory, and at the quickest rate since last December. That said, firms continued to face sharp rises in input prices, with the latest increase the steepest in the survey history. This contributed to a renewed increase in prices charged that was the sharpest since October 2019.

### au Jibun Bank Japan Composite Output PMI®



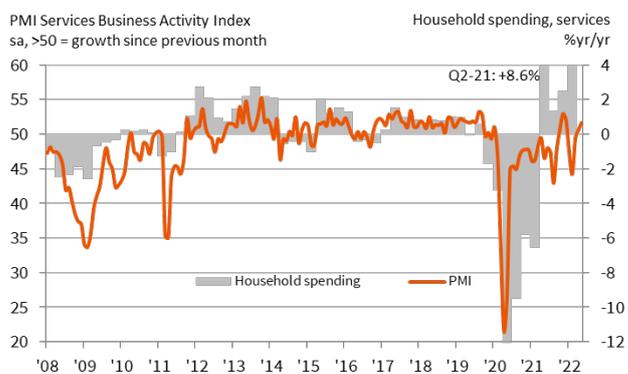
Sources: au Jibun Bank, S&P Global.

### Manufacturing output



Sources: au Jibun Bank, S&P Global, METI.

### Services business activity



Sources: au Jibun Bank, S&P Global, Cabinet Office.

## Contact

au Jibun Bank

[Grp-S-I-Room@jibunbank.co.jp](mailto:Grp-S-I-Room@jibunbank.co.jp)

Usamah Bhatti

Economist

S&P Global Market Intelligence

T: +44 1344 328370

[usamah.bhatti@spglobal.com](mailto:usamah.bhatti@spglobal.com)

Joanna Vickers

Corporate Communications

S&P Global

T: +44 207 260 2234

[joanna.vickers@spglobal.com](mailto:joanna.vickers@spglobal.com)

## Methodology

The au Jibun Bank Japan Composite PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies and a panel of around 400 manufacturers. The service sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panels are stratified by detailed sector and company workforce size, based on contributions to GDP.

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.

Composite indices are weighted averages of comparable manufacturing and services indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

The headline figure is the Composite Output Index. This index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The headline manufacturing figure is the Purchasing Managers' Index (PMI), a composite single-figure indicator of manufacturing performance. 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.

Flash indices are released approximately one week before the 'final' indices. Flash indices are typically based on approximately 85%–90% of total PMI survey responses each month and are designed to provide an accurate indication of final indices.

Final 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.

May 2022 flash data were collected 12-20 May 2022. For further information on the PMI survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

## The au Jibun Bank Japan PMI is sponsored by au Jibun Bank Corporation

The au Jibun Bank is an internet retail bank established in 2008 by a joint investment of KDDI - a major telecommunication service provider - and MUFG Bank - Japan's largest bank - As a "smartphone-centric bank", au Jibun Bank focuses on providing high-quality financial services via smartphones.

The au Jibun Bank provides unique services such as "Smartphone ATM", a service allowing to deposit and withdraw money from teller machine without cash card by just scanning a QR code shown on the smartphone app, and "AI Foreign Currency Forecast", a foreign currency trading support tool that predict the rise of foreign exchange rate based on past trend deep learned by an AI (artificial intelligence).

As a member of the "au Financial Group", au Jibun Bank aims to play a major role in providing comprehensive smartphone-centric banking services in line with the "Smart Money Concept" and enhance customer experience.

## About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

If you prefer not to receive news releases from S&P Global, please email [joanna.vickers@spglobal.com](mailto:joanna.vickers@spglobal.com). To read our privacy policy, click [here](#).

## About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more, go to [ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html).

## Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global and au Jibun Bank shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global or au Jibun Bank be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings (“Content”) in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers (“Content Providers”) do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.