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au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

Strongest rise in private sector activity for four months

Key findings

Flash Composite Output Index, January: 51.1
(December Final: 50.5)

Flash Services Business Activity Index, January: 52.7
(December Final: 50.9)

Flash Manufacturing Output Index, January: 48.0
(December Final: 49.4)

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.

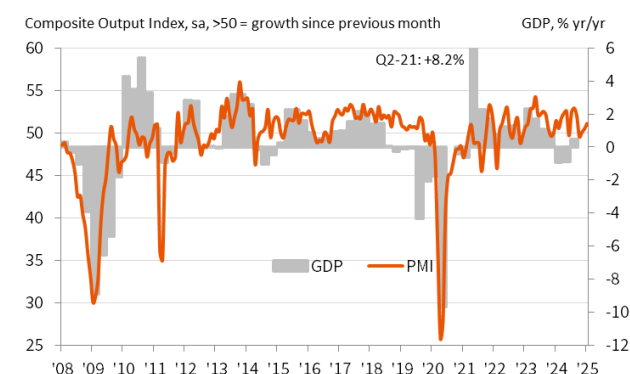
Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

“Japan’s private sector expansion continued into a third consecutive month at the start of 2025, with the rate of growth strengthening slightly on the month.

“That said, the headline Index masks diverging trends in the two main sectors. The expansion in private sector business activity remained services-led, where the rate of increase strengthened to a four-month high. At the same time, manufacturing output fell at the strongest rate since last April.

“Growth in new orders was little-changed in the latest survey period, led by the expansion in services hitting a six-month high. On the other hand, manufacturing new orders fell at the most marked rate since last July. Concurrently, the level of outstanding business reduced for the second successive month as both the manufacturing and services sectors saw falling backlogs, suggesting that the current uplift in activity is at least in part being driven by the completion of existing orders. Sentiment levels remained elevated, though the overall degree of confidence eased to the lowest since last October. Despite this, private sector firms recorded the strongest rate of job creation for six months, with both monitored sectors seeing an uptick in workforce numbers.”

au Jibun Bank Japan Composite Output Index



Index summary

Index	Sector	Interpretation
Output	Composite	Stronger growth
	Manufacturing	Stronger decline
	Services	Stronger growth
New Orders	Composite	Weaker growth
	Manufacturing	Stronger decline
	Services	Stronger growth
New Export Orders	Composite	Weaker decline
	Manufacturing	Weaker decline
	Services	Growth, from decline
Employment	Composite	Stronger growth
	Manufacturing	Weaker growth
	Services	Stronger growth
Backlogs of Work	Composite	Stronger decline
	Manufacturing	Weaker decline
	Services	Decline, from growth
Output Prices	Composite	Unchanged rate of inflation
	Manufacturing	Unchanged rate of inflation
	Services	Stronger inflation
Input Prices	Composite	Stronger inflation
	Manufacturing	Weaker inflation
	Services	Stronger inflation
Future Output	Composite	Weaker positive outlook
	Manufacturing	Weaker positive outlook
	Services	Weaker positive outlook
Stocks of Purchases	Manufacturing	Weaker decline
Stocks of Finished Goods	Manufacturing	Growth, from decline
Quantity of Purchases	Manufacturing	Stronger decline
Suppliers' Delivery Times	Manufacturing	Stronger lengthening

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.

The headline au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index™ (PMI)® fell from 49.6 in December to 48.8 in January to signal that Japanese manufacturing business conditions worsened to the largest extent for ten months. Production levels fell modestly, and at the strongest rate since last April, while new order inflows fell at a moderate pace that was the quickest for six months. Employment levels increased for the second month running at the start of the year, enabling firms to deplete backlogs sharply once again. Unsold goods were sometimes stored in anticipation of an eventual improvement in demand, as stocks of finished items were raised for the first time since last July. The rate of inflation for input costs eased slightly on the month, which meant the rate of charge inflation was unchanged from December.

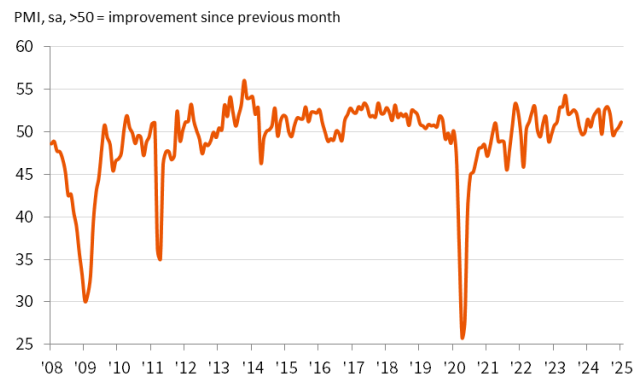
au Jibun Bank Flash Japan Services PMI®

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 posted 52.7 in January, up from a final reading of 50.9 in December, indicating that services activity expanded at a moderate rate at the start of 2025. Supporting growth of activity was a steeper rise in new business. As a result, Japanese service providers raised employment levels, despite confidence levels remaining broadly similar to that seen at the end of last year. On the price front, average input costs rose at the strongest rate since

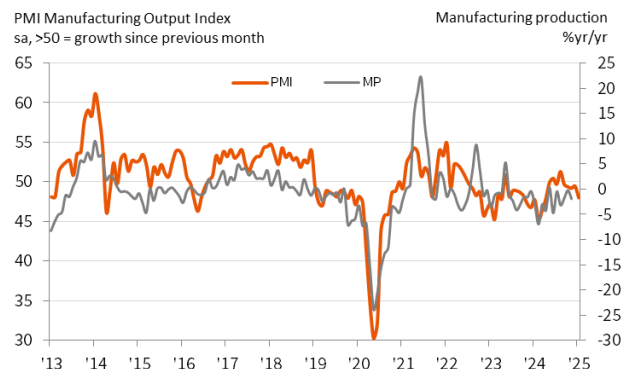
last August, but prices charged inflation was little-changed from December and remained sharp overall.

au Jibun Bank Japan Composite Output PMI®



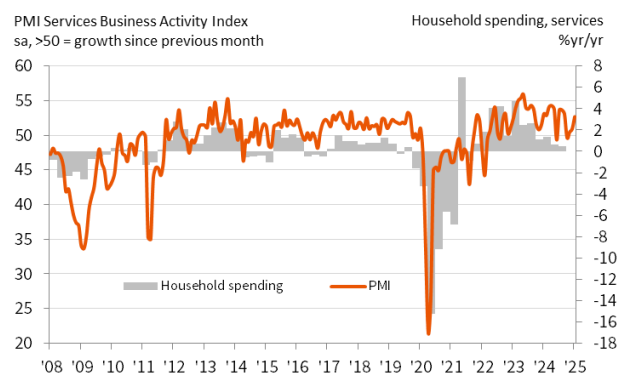
Sources: au Jibun Bank, S&P Global PMI.

Manufacturing output



Sources: au Jibun Bank, S&P Global PMI, METI via S&P Global Market Intelligence.

Services business activity



Sources: au Jibun Bank, S&P Global PMI, Cabinet Office via S&P Global Market Intelligence.

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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.

January 2025 flash data were collected 09-22 January 2025. For further information on the PMI survey methodology, please contact economics@spglobal.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.

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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.

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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.

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