

Embargoed until 0930 JST (0030 UTC) 21 March 2024

au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

Strongest rise in private sector activity for seven months

Key findings

Flash Composite Output Index, March: 52.3
(February Final: 50.6)

Flash Services Business Activity Index, March: 54.9
(February Final: 52.9)

Flash Manufacturing Output Index, March: 46.5
(February Final: 45.3)

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:

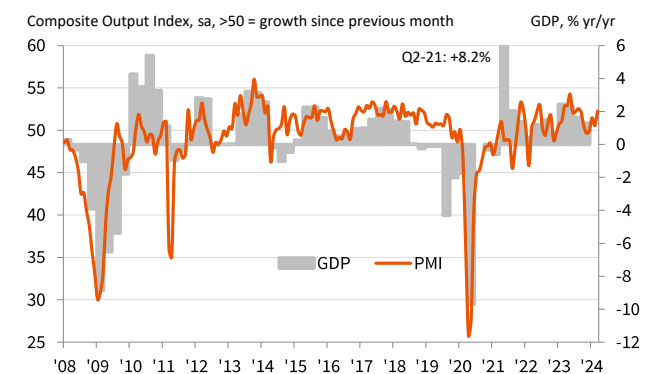
“Activity at Japanese private sector firms gained renewed momentum at the end of the first quarter of 2024, according to the March flash PMI data. The latest reading marked the third consecutive expansion in activity levels, and one that was the strongest since last August. Service providers continued to lead the expansion and saw activity growth accelerate to a ten-month high, while manufacturers saw a sustained, albeit softer decline in production in the latest survey period.

“Concurrently, demand conditions at private sector firms improved further in March, and to a greater extent than in February. New work continued to fall at manufacturing firms, though at the softest rate for five months. Service providers however, noted the strongest uptick in incoming business since last June. Employment rose for the sixth successive month in March. While the rate of job creation was unchanged, there was a renewed increase in staffing levels among manufacturers.

“March data also brought with it a renewed intensification of price pressures in the Japanese private sector economy. The rate of input price inflation strengthened to a five-month high amid an acceleration at service providers, while manufacturers continued to note stubbornly high input prices. Firms commonly noted higher raw material, fuel,

transport and staff costs as the main factors behind the increase. Firms often opted to pass higher costs to customers, as output charge inflation was at the strongest since last August.”

au Jibun Bank Japan Composite Output Index



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

Index summary

Index	Sector	Interpretation
Output	Composite	Stronger growth
	Manufacturing	Weaker decline
	Services	Stronger growth
New Orders	Composite	Stronger growth
	Manufacturing	Weaker decline
	Services	Stronger growth
New Export Orders	Composite	Stronger decline
	Manufacturing	Stronger decline
	Services	Stronger growth
Employment	Composite	Unchanged rate of growth
	Manufacturing	Growth, from decline
	Services	Weaker growth
Backlogs of Work	Composite	Weaker growth
	Manufacturing	Stronger decline
	Services	Unchanged rate of growth
Output Prices	Composite	Stronger inflation
	Manufacturing	Stronger inflation
	Services	Stronger inflation
Input Prices	Composite	Stronger inflation
	Manufacturing	Weaker inflation
	Services	Stronger inflation
Future Output	Composite	Stronger positive outlook
	Manufacturing	Weaker positive outlook
	Services	Stronger positive outlook
Stocks of Purchases	Manufacturing	Weaker decline
Stocks of Finished Goods	Manufacturing	Weaker decline
Quantity of Purchases	Manufacturing	Weaker decline
Suppliers' Delivery Times	Manufacturing	Weaker 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)® rose from 47.2 in February to 48.2 in March to signal a modest deterioration in Japanese manufacturing business conditions that was the softest for four months. Both output and new orders were scaled back at slower rates in the latest survey period, with the latter reducing at the softest rate since last October. Sustained declines in new orders and a renewed rise in employment levels meant for spare capacity in the sector, and backlogs of work fell at the strongest rate since August 2020. Input cost inflation remained marked in March, though eased to the softest for eight months. That said, the rate of charge inflation was solid and reached a three-month high.

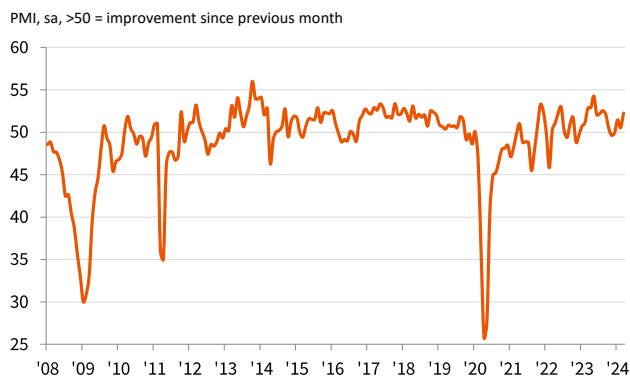
au Jibun Bank Flash Japan Services PMI®

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 54.9 in March, up from a final reading of 52.9 in February. This signalled a sharp expansion in business activity in Japan's service sector, and one that was the strongest since last May. The pace of expansion in incoming business also quickened to a nine-month high and was solid overall. March data indicated sustained pressure on capacity, as outstanding business increased solidly. Meanwhile, employment levels rose at a solid, albeit softer rate. Average cost burdens increased at a steeper

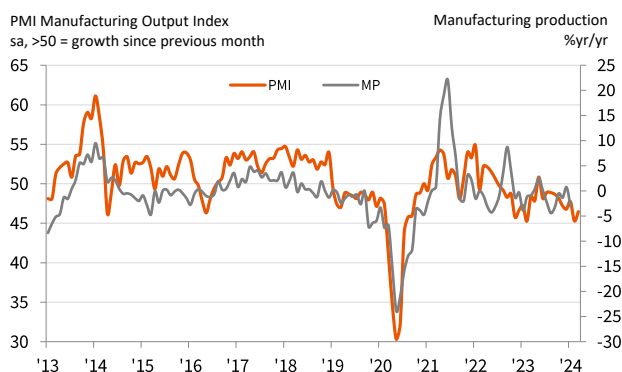
rate at the end of the first quarter. The rate of input cost inflation was the most marked since last September and contributed to the strongest rise in prices charged in ten months.

au Jibun Bank Japan Composite Output PMI®



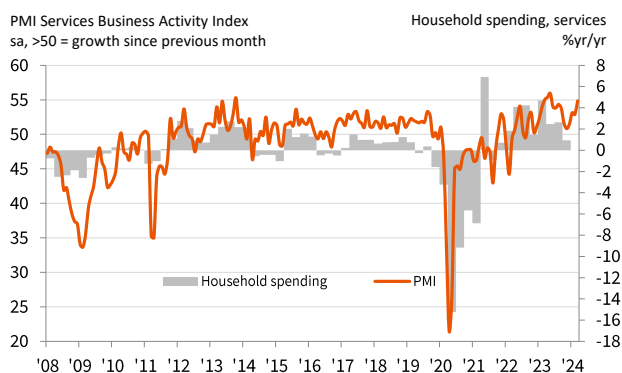
Sources: au Jibun Bank, S&P Global PMI.

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.

Contact

Usamah Bhatti Economist S&P Global Market Intelligence T: +44 1344 328 370 usamah.bhatti@spglobal.com	SungHa Park Corporate Communications S&P Global Market Intelligence T: +82 2 6001 3128 sungha.park@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.

March 2024 flash data were collected 12-18 March 2024. 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.

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 katherine.smith@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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. 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 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 be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc 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.