

S&P Global Flash Japan PMI[®]

Private sector activity in Japan expands at steepest pace since May 2023

February 2026

Flash Japan Composite PMI Output Index: 53.8
(January: 53.1)

Flash Japan Services PMI Business Activity Index: 53.8 (January: 53.7)

Flash Japan Manufacturing PMI: 52.8 (January: 51.5)

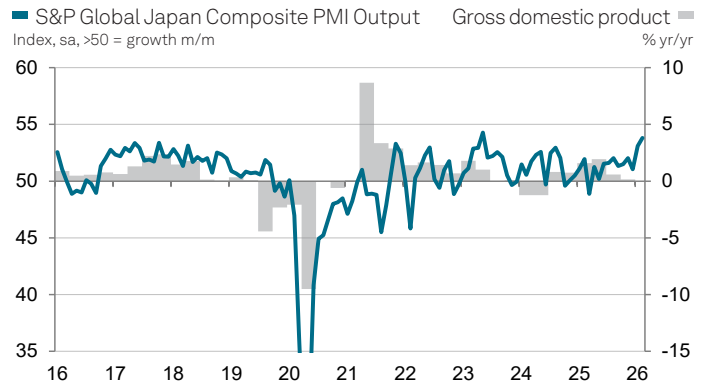
Flash Japan Manufacturing PMI Output Index: 53.9
(January: 51.6)

Growth momentum continued to build across Japan's economy in February, according to the latest S&P Global Flash PMI[®] data, with private sector business activity expanding at the quickest rate in 33 months. This was supported by a stronger uplift in overall sales, which also rose to the greatest extent since May 2023, alongside another solid increase in employment. Companies also expressed greater optimism regarding future output, with sentiment hitting a 15-month high. On the prices front, both input costs and selling prices increased at slightly sharper rates.

The headline seasonally adjusted **S&P Global Flash Japan PMI Composite Output Index** picked up from 53.1 at the start of 2026 to 53.8 in February, indicating a solid rise in total private sector activity across Japan. Furthermore, the rate of growth was the best recorded since May 2023. Overall business activity has now increased in each of the past 11 months. Underlying data revealed that services activity expanded at the quickest pace since May 2024, while factory production rose at the most pronounced rate since January 2022.

A solid and accelerated rise in composite new business was also observed in February. In line with the trend for business activity, the rate of growth was the quickest since May 2023. While new orders expanded at the fastest rate in 22 months at service providers, manufacturers recorded the steepest increase in sales since the start of 2022, with businesses often noting firmer underlying demand conditions and the positive impact of new product releases. Japanese companies also signalled stronger overseas demand, with composite new export orders expanding at the fastest rate in eight years, largely driven by a further rebound in demand for goods.

Although the rate of job creation across Japan eased from January's multi-year record, it nevertheless remained solid overall. A softer rise in service sector payrolls contrasted with a steeper increase in employment at factories, with the latter expanding at the fastest pace in just over four years. Despite



Sources: S&P Global PMI, Cabinet Office Japan via S&P Global Market Intelligence.
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Data were collected 9-18 February 2026.

Comment

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

"Business activity across Japan's private sector continued to surge higher in February, with firms recording the quickest increase in output since May 2023. The manufacturing industry saw a notable improvement in growth momentum, and broadly matched the solid pace seen across the service sector to suggest that the upturn has become more broad-based."

"The sales situation also improved, with total new orders also expanding at the quickest rate since May 2023. Manufacturers in particular were boosted by greater demand from overseas clients, with factories seeing the quickest upturn in new export work for eight years."

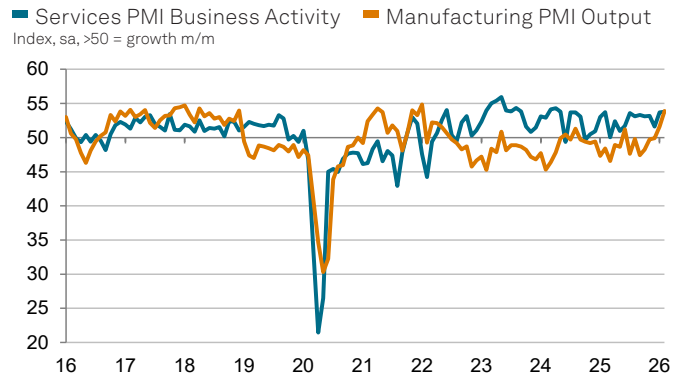
"The sustained and stronger rise in new work added pressure to capacity, however, as noted by a record rise in outstanding business. As a result, firms continued to add to their staff numbers solidly. Improved demand conditions also shifted some pricing power back to firms amid marked cost pressures, with selling prices increasing at the quickest pace since May 2024."

"Finally, firms were more upbeat regarding the outlook, with new product launches, greater demand for technology, and the recent landslide election win by the Takaichi administration all forecast to support growth."

higher staffing levels, backlogs of work continued to build in February. Furthermore, the rate of accumulation was the fastest since composite data were first available in September 2007 and solid.

Prices data revealed a slightly sharper increase in average input costs across Japan's private sector in February. Underlying data indicated that a quicker rise in expenses at services companies offset a softer increase in prices at manufacturers. At the same time, the rate of output charge inflation hit a 21-month high in the latest survey period. Services companies recorded a steeper rise in selling prices than factories.

Looking ahead, Japanese companies were more upbeat when assessing the 12-month outlook for business activity in February. Moreover, the degree of optimism was the best recorded since November 2024 and above the series average. Signs of firmer underlying demand conditions (both at home and abroad), higher demand for semiconductors and AI-related technology, and new product releases are all anticipated to drive growth. Some firms also hoped that economic conditions will improve following the recent general election.



Source: S&P Global PMI. ©2026 S&P Global.

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Methodology

Final February data are published on 2 March for manufacturing and 4 March for services and composite indicators.

The S&P Global Flash Japan PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

Manufacturing: Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

Services: Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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 for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The 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.

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Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.1 (absolute difference 0.5)

Services Business Activity Index = 0.2 (absolute difference 0.7)

Manufacturing PMI = 0.1 (absolute difference 0.3)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global.

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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