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au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

Business activity declines for first time in five months

Key findings

Flash Composite Output Index, March: 48.5
(February Final: 52.0)

Flash Services Business Activity Index, March: 49.5
(February Final: 53.7)

Flash Manufacturing Output Index, March: 46.5
(February Final: 48.4)

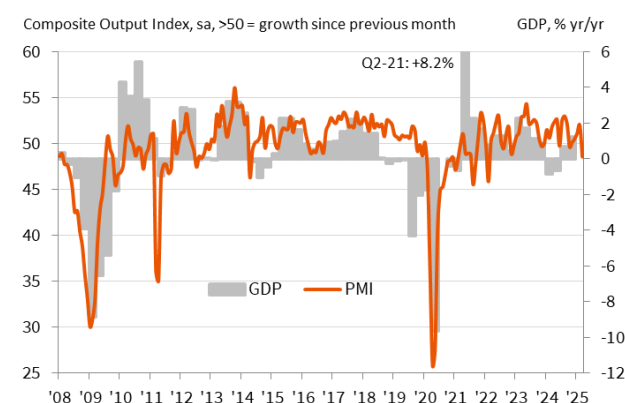
Today sees the latest release of the au Jibun Bank Flash Japan Composite PMI®. Published on a monthly basis approximately one week before final PMI data are released, this makes the PMI the earliest available indicator of private sector operating conditions in Japan. The estimate is typically based on 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, Annabel Fiddes, Economics Associate Director at S&P Global Market Intelligence, said:

“The March Flash PMI data indicated that Japanese firms had a disappointing end to Q1, with private sector business activity falling for the first time since last October. Underlying data showed that this was partly due to a fresh fall in service sector activity, while manufacturing output declined at the quickest pace for a year. The reduction in overall activity coincided with a slight drop in composite new business, with firms noting that strong inflationary pressure had dampened sales and made some customers hesitant to commit to orders. Growth of new business slowed notably at services companies and fell solidly at goods producers. New export orders increased slightly at the composite level, however, as a strong rise at services companies offset a further drop in foreign demand for manufactured goods.

“The survey also signalled that cost pressures remained elevated in March, with overall input costs rising sharply across both monitored sectors, leading to a solid rise in selling prices. Strong inflation, coupled with concerns over labour shortages, an ageing population, subdued client spending and increased uncertainty over the international trade environment dampened optimism around the outlook. Notably, overall confidence regarding future business activity dipped to the lowest since August 2020 at the end of the first quarter.”

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	Decline, from growth
	Manufacturing	Stronger decline
	Services	Decline, from growth
New Orders	Composite	Decline, from growth
	Manufacturing	Stronger decline
	Services	Weaker growth
New Export Orders	Composite	Stronger growth
	Manufacturing	Growth, from decline
	Services	Weaker growth
Employment	Composite	Stronger growth
	Manufacturing	Stronger growth
	Services	Weaker growth
Backlogs of Work	Composite	Weaker decline
	Manufacturing	Stronger decline
	Services	Growth, from no change
Output Prices	Composite	Weaker inflation
	Manufacturing	Weaker inflation
	Services	Weaker inflation
Input Prices	Composite	Stronger inflation
	Manufacturing	Weaker inflation
	Services	Stronger inflation
Future Output	Composite	Weaker positive outlook
	Manufacturing	Stronger positive outlook
	Services	Weaker positive outlook
Stocks of Purchases	Manufacturing	Stronger decline
Stocks of Finished Goods	Manufacturing	Weaker decline
Quantity of Purchases	Manufacturing	Stronger 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.

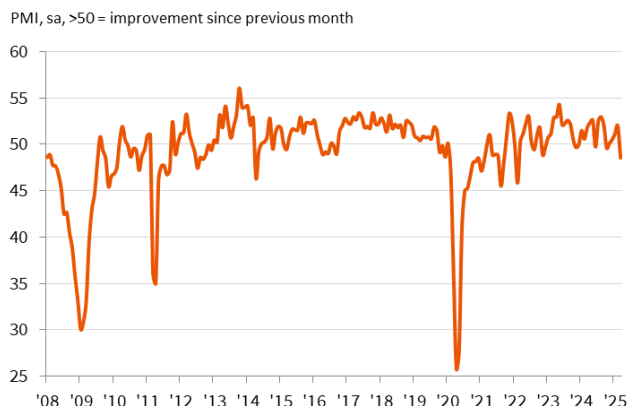
At 48.3 in March, the headline au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index™ (PMI)® slipped from 49.0 in February and signalled a deterioration in manufacturing sector conditions for the ninth successive month. Though modest, the rate of decline was the quickest seen in a year, with firms registering steeper falls in both production and new orders. As a result, companies cut back solidly on purchasing activity and continued to trim their inventories. Employment was a bright spot, with firms adding to their workforce numbers for the fourth straight month, albeit at a modest pace. Inflationary pressures remained historically marked, with both input price and output charge indices comfortably above their long-run trend levels.

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.

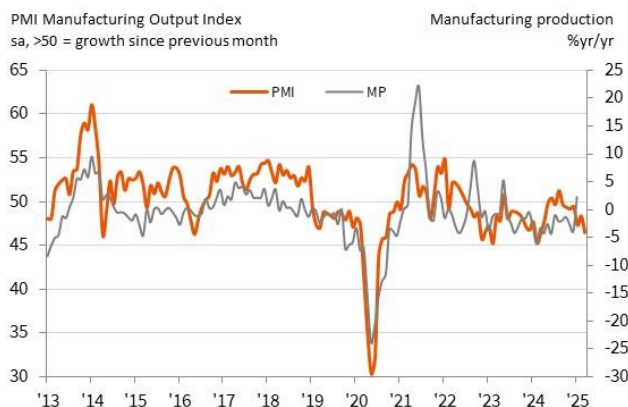
The au Jibun Bank Flash Japan Services Business Activity Index fell from a six-month high of 53.7 in February to 49.5 in March, to signal a renewed reduction in services activity. Though marginal, it was only the fourth time that business activity had fallen in the past three years. The fall coincided with a notably softer rise in overall new work, with some companies mentioning that client spending was relatively subdued due to cost concerns. Despite the loss of momentum in sales, firms continued to expand their staff numbers amid reports of business expansion plans. Meanwhile, unfinished workloads increased for the first time in 2025. Cost pressures picked up, with average input costs increasing at the fastest pace in 25 months, leading to a further solid rise in prices charged. Finally, expectations around future activity softened, with overall confidence dipping to a 50-month low amid concerns over rising costs, labour shortages and future customer demand.

au Jibun Bank Japan Composite Output PMI®



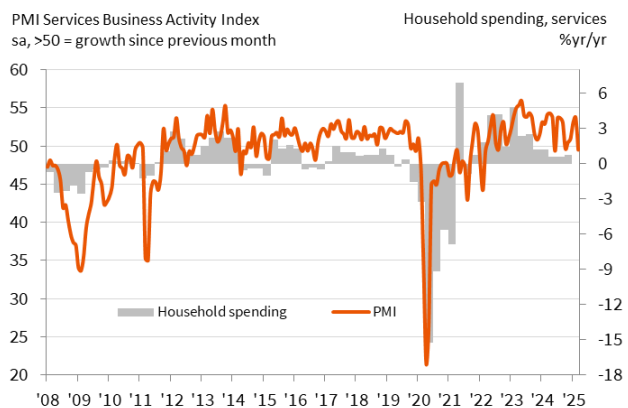
Sources: au Jibun Bank, S&P Global PMI.

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.

March 2025 flash data were collected 11-20 March 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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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 ihsmarket.com/products/pmi.html.

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