

S&P Global Flash Japan PMI[®]

Business activity growth strengthens in November, but cost pressures intensify

November 2025

Flash Japan Composite PMI Output Index: 52.0
(October: 51.5)

Flash Japan Services PMI Business Activity Index: 53.1 (October: 53.1)

Flash Japan Manufacturing PMI: 48.8 (October: 48.2)

Flash Japan Manufacturing PMI Output Index: 49.6
(October: 48.3)

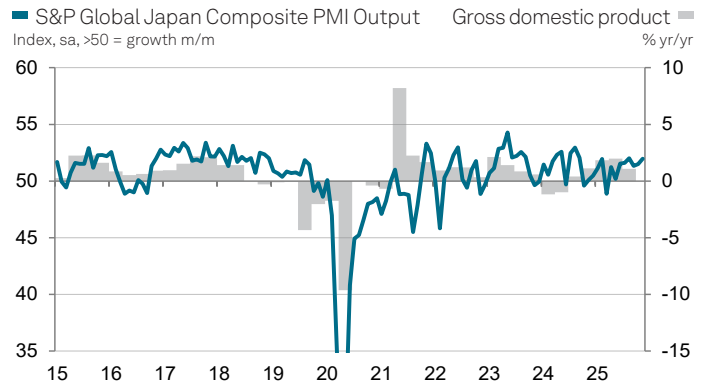
The latest Flash PMI[®] data signalled a further expansion of Japanese private sector output during November, with the rate of growth edging up to a three-month high. At the same time, firms recorded only a slight fall in new orders that was softer than that seen in October. Business confidence regarding the one-year outlook for output meanwhile hit a ten-month high, and firms expanded their staffing levels at the quickest pace since June. Cost pressures intensified, however, with input prices increasing at the sharpest pace in six months, while selling prices rose solidly.

The headline seasonally adjusted **S&P Global Flash Japan PMI Composite Output Index** posted 52.0 in November, up from 51.5 in October, to signal a further increase in total Japanese business activity. Though indicative of a modest rate of growth, the reading was the best recorded for three months, and the joint-highest since August 2024.

A softer and only marginal reduction in manufacturing output helped to lift the headline index in November, while the service sector recorded a solid rate of growth that was unchanged from the previous month.

Demand conditions remained subdued, however, as firms signalled a back-to-back fall in overall new work during November. That said, the rate of decline eased from October and was only fractional. This was driven by a marked drop in factory orders, as sales across the service sector continued to rise. Manufacturers and service providers both reported weaker foreign demand, however, with composite new export orders falling at the quickest pace in three months.

Overall employment across Japan's private sector increased for the twenty-sixth month in a row in November, and at the quickest rate since June. The upturn in staff numbers was broad-based at the sector level, and led by services companies. Concurrently, Japanese firms signalled little pressure on operating capacities, as backlogs of work were stable for the second straight month.



Sources: S&P Global PMI, Cabinet Office Japan via S&P Global Market Intelligence.
© 2025 S&P Global.

Data were collected 12-19 November 2025.

Comment

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

"The Flash PMI surveys for Japan indicated a further improvement in growth momentum in November, with overall private sector output rising at the quickest pace in three months.

"The service sector continued to support the expansion of total activity, as factories struggled with weak customer demand. However, it was encouraging to see that manufacturing output fell at the softest pace since August, to suggest operating conditions there are moving towards stabilisation.

"There were also other positive developments that signalled a stronger outlook for the economy. Notably, business confidence regarding future output improved to the highest level since January, which in turn helped to drive the strongest increase in employment since June as firms looked to expand capacity to support future growth plans.

"Inflation remains a key concern, however, with average input costs rising at the quickest rate in six months amid reports of higher labour costs and supplier price hikes. As a result, firms raised their own selling prices and at a solid pace, as they looked to protect their margins."

Increased recruitment coincided with greater optimism around the year-ahead outlook. Notably, overall business sentiment improved to a ten-month high and was above the survey's long-run average. Manufacturers were generally more upbeat than services companies, with firms often hopeful that new product launches and innovation, increased construction activity and firmer demand conditions both at home and abroad would all support growth. Some panellists also cited forecasts of improved sales across the semiconductor industry.

Latest data also indicated stronger price pressures across Japan during November. The overall rate of input cost inflation quickened for the second successive month and was the sharpest recorded since May, with prices rising at a particularly elevated pace in the service industry. Higher labour costs, often due to the marked rise in the minimum wage, supplier price hikes and greater raw material prices were all linked to the latest upturn in expenses.

Companies looked to pass on these higher input costs to customers where possible, leading to a sustained rise in average selling prices for goods and services. The rate of charge inflation was solid, having eased only slightly from October.

Methodology

Final November data are published on 1 December for manufacturing and 3 December 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).

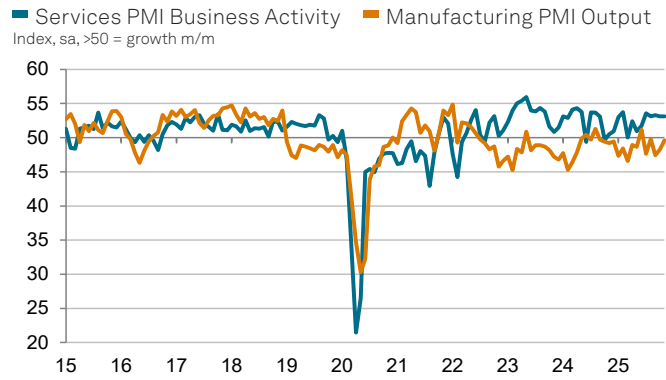
The headline manufacturing figure is the Manufacturing Purchasing Managers' Index™ (PMI®). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' 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.

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.



Source: S&P Global PMI. ©2025 S&P Global.

Contact

Annabel Fiddes
Economics Associate Director
S&P Global Market Intelligence
T: +44-1491-461-010
annabel.fiddes@spglobal.com

Eri Amano
APAC Senior Communications Manager
+81 (0) 80 3714 7658
eri.amano@spglobal.com
press.mi@spglobal.com

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

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.

S&P Global

S&P Global (NYSE: SPGI) 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. www.spglobal.com

PMI by S&P Global

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. www.spglobal.com/marketintelligence/en/mi/products/pmi