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au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

Japan’s private sector slips back into contraction in May

Key findings

Flash Composite Output Index, May: 49.8
(April Final: 51.2)

Flash Services Business Activity Index, May: 50.8
(April Final: 52.4)

Flash Manufacturing Output Index, May: 48.0 (April Final: 48.9)

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:

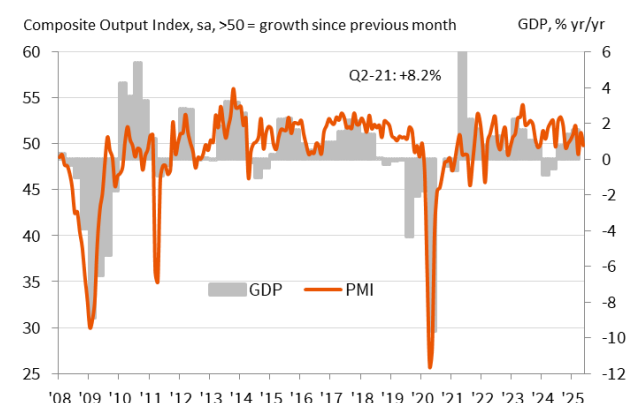
“Japan’s private sector fell back into contraction territory for the second time in the past three months in May, according to the latest au Jibun Bank Flash PMI data. While only slight, the reduction in overall output reflected a steeper fall in manufacturing output alongside a weaker expansion of service sector activity.”

“Demand conditions also looked more fragile, with new business measured across both manufacturing and service sectors falling for the first time in nearly a year, and foreign demand declining for the second straight month.”

“At the same time, cost pressures, a source of concern for many firms, remained elevated in May. However, there were some tentative signs that input price inflation is cooling, with the latest data showing the slowest rise in operating expenses in over a year. This translated into a softer uptick in selling prices.”

“Business confidence across Japan’s private sector was meanwhile the second-lowest recorded since the initial wave of the COVID-19 pandemic, with uncertainty around the future trade environment and foreign demand clouding the outlook and dampening output projections for the year ahead.”

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	Weaker growth
New Orders	Composite	Decline, from growth
	Manufacturing	Weaker decline
	Services	Weaker growth
New Export Orders	Composite	Weaker decline
	Manufacturing	Weaker decline
	Services	Weaker growth
Employment	Composite	Weaker growth
	Manufacturing	Stronger growth
	Services	Weaker growth
Backlogs of Work	Composite	Decline, from no change
	Manufacturing	Stronger decline
	Services	Weaker growth
Output Prices	Composite	Weaker inflation
	Manufacturing	Weaker inflation
	Services	Weaker inflation
Input Prices	Composite	Weaker inflation
	Manufacturing	Weaker inflation
	Services	Weaker inflation
Future Output	Composite	Stronger positive outlook
	Manufacturing	Stronger positive outlook
	Services	Weaker positive outlook
Stocks of Purchases	Manufacturing	Stronger decline
Stocks of Finished Goods	Manufacturing	Stronger decline
Quantity of Purchases	Manufacturing	Weaker decline
Suppliers' Delivery Times	Manufacturing	Renewed shortening

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.

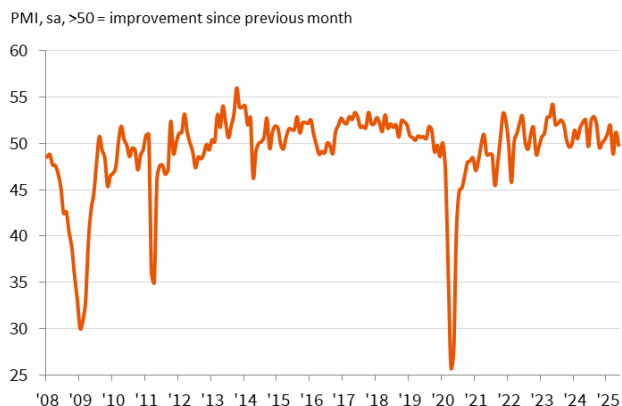
At 49.0 in May, the headline au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index™ (PMI)® was up slightly from 48.7 in April but remained below the crucial 50.0 neutral level to signal a deterioration in business conditions for the eleventh successive month. The relative improvement in the headline index was supported by softer falls in new orders and new export business, while companies also signalled a stronger increase in employment. However, production fell at a slightly quicker pace than in April. Prices data highlighted that input costs rose at the slowest rate in 14 months, albeit one that remained marked overall, while the rate of output charge inflation hit a near four-year low. After slipping to the weakest in nearly five years in April, optimism regarding the year-ahead outlook for output picked up in May, but overall sentiment remained among the lowest seen since the COVID-19 pandemic.

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.

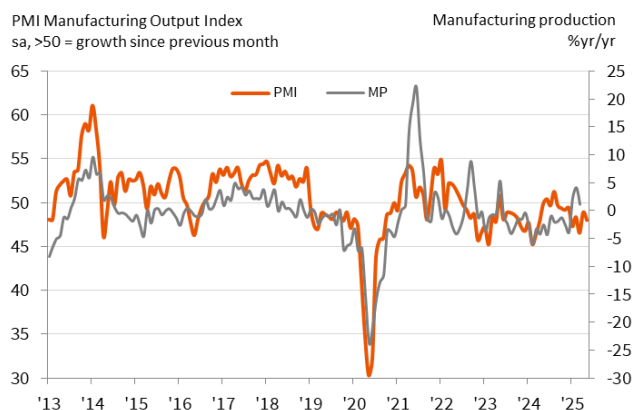
The au Jibun Bank Flash Japan Services Business Activity Index slipped from 52.4 in April to 50.8 in May, to signal a back-to-back increase in services activity. However, the rate of expansion was only marginal amid a slowdown in client demand. Notably, overall new business expanded at the weakest rate in 11 months, while new export orders likewise increased only marginally. At the same time, service providers raised their staffing levels at the slowest pace in 17 months, and backlogs of work accumulated at the softest rate in three months. Input costs and selling prices both increased at slightly softer but still historically sharp rates. Business confidence around the 12-month outlook for activity edged down to the lowest since January 2021.

au Jibun Bank Japan Composite Output PMI®



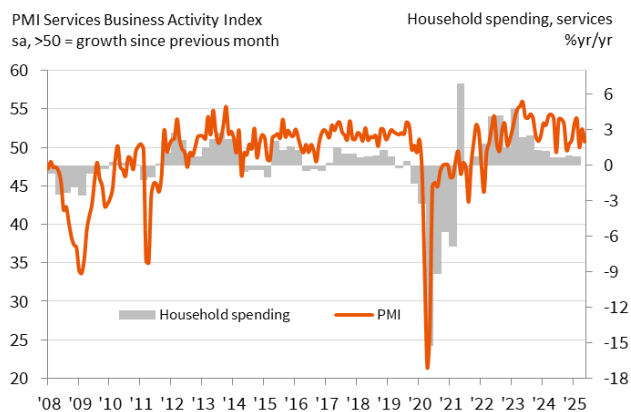
Sources: au Jibun Bank, S&P Global PMI.

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.

May 2025 flash data were collected 12-20 May 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 ihsmarkit.com/products/pmi.html.

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