

# S&P Global Flash Japan PMI<sup>®</sup>

## Strongest rise in Japanese manufacturing output in over 12 years, but service sector growth slows

April 2026

Flash Japan Composite PMI Output Index: 52.4  
(March: 53.0)

Flash Japan Services PMI Business Activity Index: 51.2 (March: 53.4)

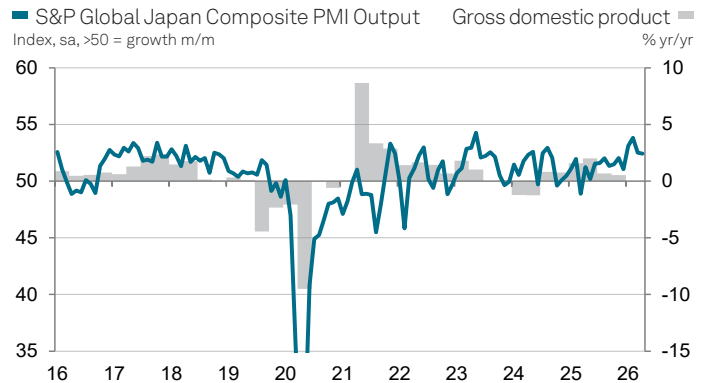
Flash Japan Manufacturing PMI: 54.9 (March: 51.6)

Flash Japan Manufacturing PMI Output Index: 55.4  
(March: 52.1)

The latest S&P Global Flash PMI<sup>®</sup> data for Japan indicated that a slower rise in service sector activity offset a rebound in manufacturing production growth in April. As a result, total Japanese private sector activity expanded at the softest pace in four months. Price pressures meanwhile intensified, most notably across the manufacturing industry, with firms often linking this to the impact of the war in the Middle East and strained supply chains. This in turn drove the steepest rise in composite selling prices on record. At the same time, uncertainty around the impact of the war in the Middle East led to a drop in sentiment regarding future output, which fell to the lowest level since August 2020.

The headline seasonally adjusted **S&P Global Flash Japan PMI Composite Output Index** slipped from 53.0 at the end of the first quarter to 52.4 in April, but remained above the crucial 50.0 level that separates expansion from contraction. Overall private sector activity across Japan has now expanded in each of the past 13 months. However, the latest reading was consistent with a modest rate of growth that was the softest seen in 2026 to date. Underlying data pointed to divergent trends, with activity across the service sector rising at a mild pace that was the slowest in 11 months, but manufacturing production rising at the steepest rate since February 2014. Anecdotal evidence indicated that some manufacturers raised output due to concerns over future supply shortages due to the war in the Middle East.

Overall new business also expanded modestly at the start of the second quarter, though the pace of increase strengthened slightly since March. This reflected a steeper upturn in new work across the manufacturing sector, as service providers registered the slowest rise in sales since October 2025. New export business also rose at the softest pace in four months at the composite level. Underlying data indicated that new export orders fell for the first time in five months at services companies but expanded at a quicker pace at goods producers.



Sources: S&P Global PMI, Cabinet Office Japan via S&P Global Market Intelligence.  
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Data were collected 9-21 April 2026.

### Comment

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

*"The Flash PMI data for Japan suggest a softer and modest increase in private sector output in April, with overall momentum slipping to a four-month low. However, the underlying numbers point to divergent trends at the sector level.*

*"While services companies reported weaker growth of both activity and sales at the start of the second quarter, manufacturers signalled the steepest rise in output for over 12 years amid a solid uptick in new work. There were reports that some manufacturing firms boosted output due to concerns and uncertainty surrounding the war in the Middle East and the potential for further supply chain disruptions. The latter contributed to not only a much sharper rise in costs, but the most pronounced increase in average delivery times for manufacturers' inputs for nearly four years.*

*"The latest surveys also point to weaker expectations regarding future output. In fact, business confidence fell to the lowest level since August 2020, amid the depths of the COVID-19 pandemic. The war in the Middle East was a key factor dampening optimism, with the current strong manufacturing performance unlikely to be sustained unless uncertainty is reduced and supply chains stabilise."*

In line with the trends seen for output and new work, Japanese companies expanded their headcounts modestly in April. Overall employment has now risen consistently for just over two-and-a-half years. Signs of capacity pressure persisted, however, as levels of outstanding business increased for the fifth straight month.

Average input costs faced by Japanese private sector firms increased at the sharpest rate since January 2023 in April. Panel members often highlighted higher prices for staff, raw materials, fuel and energy. The latter were in turn linked to developments in the Middle East and a weak yen exchange rate. Goods producers recorded a notably steeper rate of cost inflation than services providers. Concurrently, average output charges rose at the quickest rate since composite data were first available in late 2007.

Finally, business confidence regarding future output weakened for the second successive month in April, with overall optimism the lowest recorded since August 2020 during the COVID-19 pandemic. While Japanese firms were generally hopeful that demand conditions will strengthen globally, uncertainty and disruption to markets due to the war in the Middle East dampened forecasts at some firms.

## Methodology

Final April data are published on 1 May for manufacturing and 8 May 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.

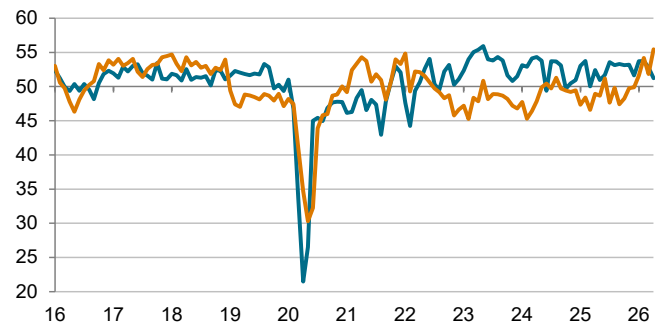
The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

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■ Services PMI Business Activity Index, sa, >50 = growth m/m ■ Manufacturing PMI Output



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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](mailto:economics@spglobal.com).

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