

News Release

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Using the Composite Indexes: *The Leading Economic Index (LEI) provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index (CEI) provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for Japan Increased in March

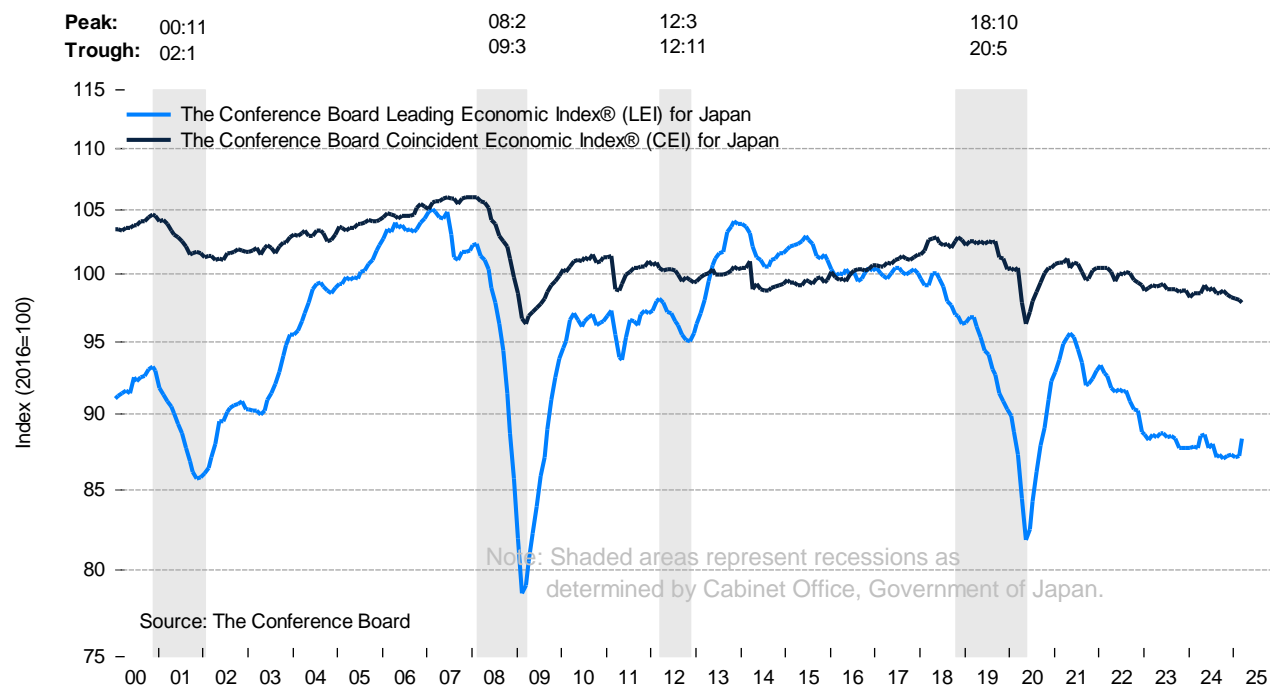
The Conference Board Leading Economic Index® (LEI) for Japan increased by 1.3% in March 2025 to 88.3 (2016=100), after a 0.1% increase in February. In addition, over the six months period between September 2024 and March 2025, the LEI for Japan rose by 1.1%, an improvement from a decline of 0.5% over the previous six months between March and September 2024.

The Conference Board Coincident Economic Index® (CEI) for Japan declined by 0.2% in March 2025 to 97.9 (2016=100), after declining by 0.1% in February. Overall, the CEI for Japan contracted by 0.6% over the six-month period from September 2024 to March 2025, after being unchanged over the previous six-month period (March to September 2024).

“The Japan LEI surged in March, but this largely reflected ad-hoc temporary factors” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “The biggest gain came from dwelling units started, followed by much smaller positive contributions from suspension of transactions and new orders for machinery and construction. A monthly advance of that magnitude was last seen during the post pandemic recovery period in early 2021. However, the new construction surge was only due to the implementation of Building Energy Conservation Law. The requirement for all new small buildings and individual houses started as of April 1st, 2025, to comply with strict energy conservation standards, which triggered high activity to start constructions in March. Considering that the most recent gain will be only short-lived and given current trade uncertainty, The Conference Board continues to forecast Japan GDP to expand by around 1.3% in 2025.”

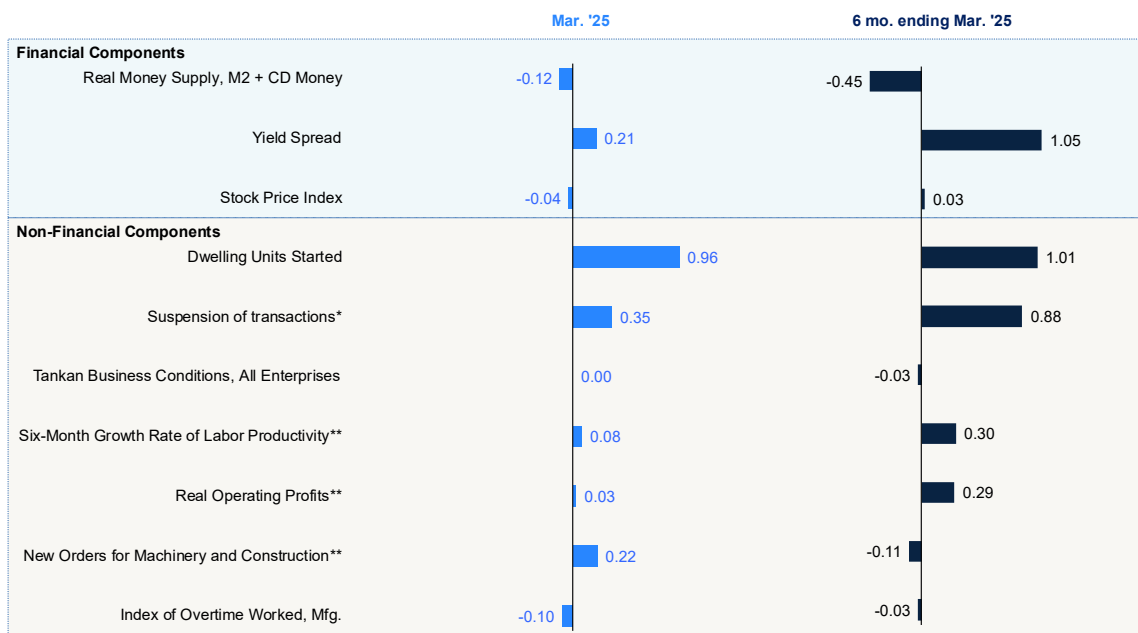
The next release is scheduled for Wednesday, June 11, 2025, at 10:30 A.M. ET.

The Japan LEI surged in March



The new construction started drove the LEI surge in March, because of the implementation of the Building Energy Conservation Law as of April 1st

The Conference Board Leading Economic Index® and Component Contributions (Percent)



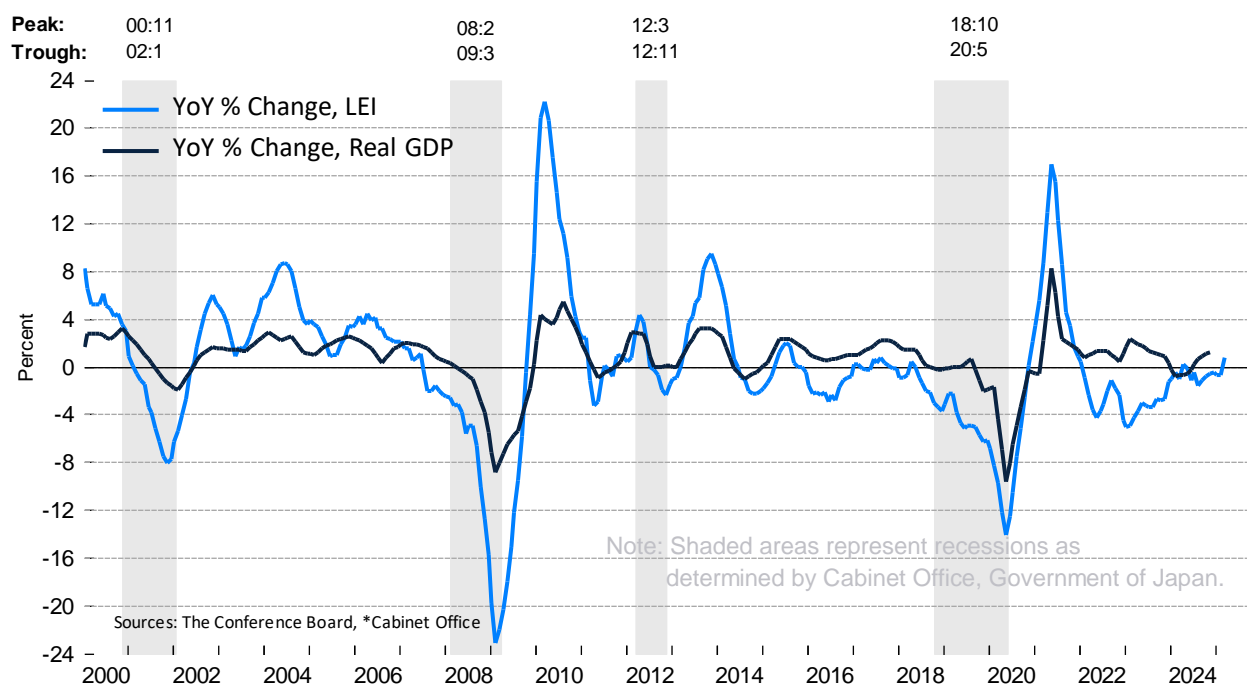
Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution

** Statistical Imputation

LEI change might not equal sum of its contributions due to application of trend adjustment factor

The large March gain temporarily pushed the annual growth rate of Japan's LEI into positive territory



About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for Japan.

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around four months.

The ten components of the *Leading Economic Index*® for Japan are:

- Real Money Supply, M2 + CD Money
- Yield Spread, (10 year gov bonds minus Uncollateralized: Overnight Rate)
- Stock Price Index
- Dwelling Units Started
- Suspension of transactions
- Tankan Business Conditions, All Enterprises, All Industries
- Six-Month Growth Rate of Labor Productivity Mfg
- Real Operating Profits
- New Orders for Machinery and Construction
- Index of Overtime Worked, Mfg

The four components of the *Coincident Economic Index*® for Japan are:

- Number of Employed Persons
- Industrial Production
- Wage and Salary Income
- Real Retail, Wholesale, and Manuf. Sales

To access data, please visit: <https://data-central.conference-board.org/>

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