

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 June

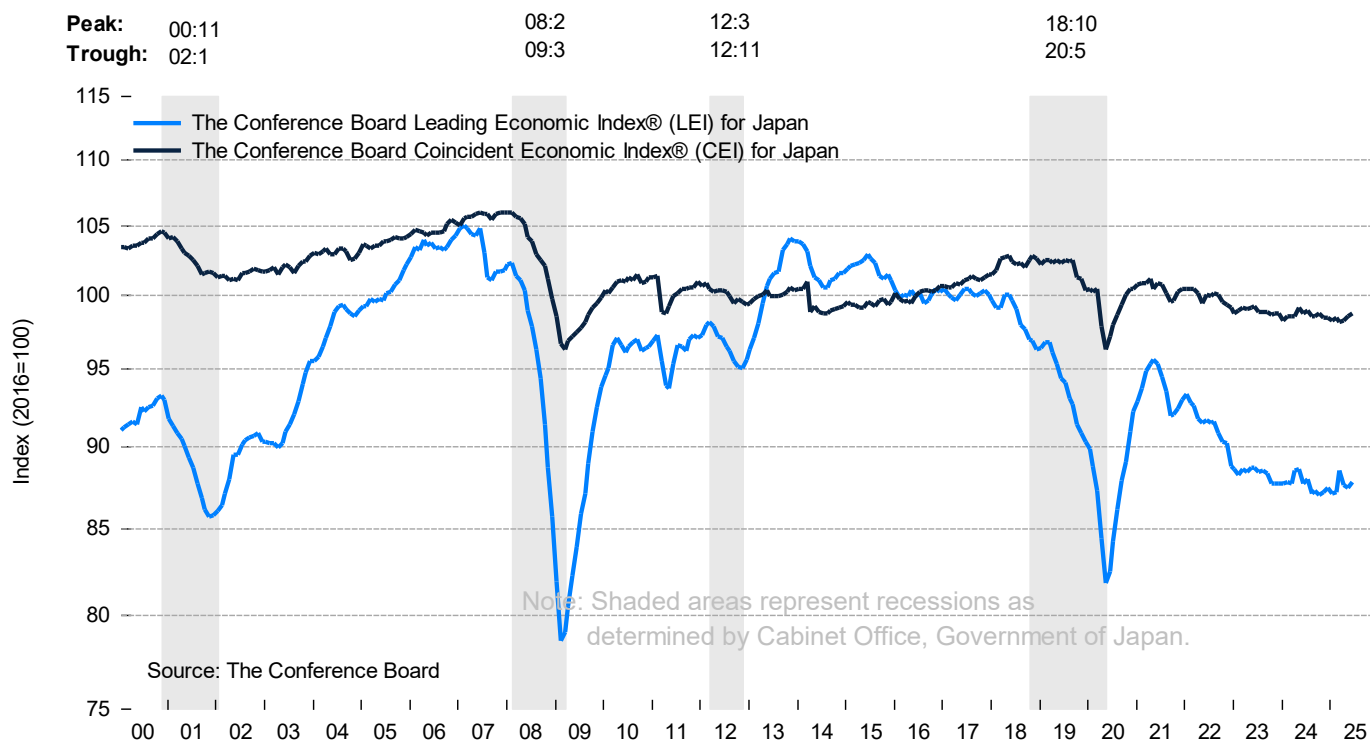
The Conference Board Leading Economic Index® (LEI) for Japan increased by 0.5% in June 2025 to 87.8 (2016=100), after falling by 0.2% in May and by 1.0% in April. Over the first half of 2025, the LEI for Japan rose by 0.5%, and more than reversed a decline of 0.3% over the second half of 2024.

The Conference Board Coincident Economic Index® (CEI) for Japan increased by 0.2% in June 2025 to 98.7 (2016=100), after rising by 0.2% in May. As a result, the CEI for Japan improved by 0.3% over the first half of this year, reversing a 0.3% contraction over the H2 of 2024 (June to December 2024).

“The Japan LEI recovered in June to slightly above its April level” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “Since March, the full enforcement of revised building laws implemented as of April 1st has caused very large fluctuations in volume of dwelling units started and thereby in the LEI. In June, housing starts partially recovered from April and May declines, driving the LEI up. Financial components also supported the Index. The LEI growth rates on both a 6-month and annual basis increased and were both positive in June, potentially signaling a stronger economic environment. In addition, the agreement on tariffs for Japan’s export to the US may also lessen headwinds to economic activity ahead. Overall, the Conference Board forecasts Japan growth at around 1% in 2025 substantially higher than in 2024 (0.2%).”

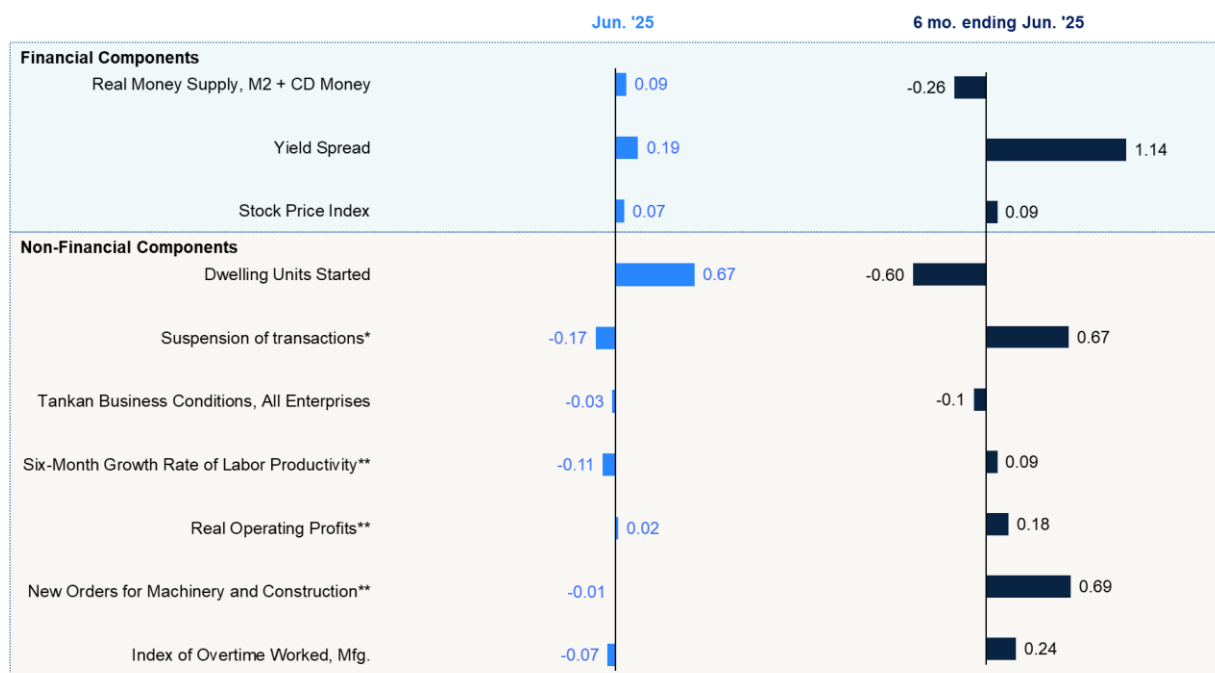
The next release is scheduled for Tuesday, September 9, 2025, at 10:30 A.M. ET.

The Japan LEI partially recovered in June



A partial rebound in new construction and positive financial components drove up LEI in June

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



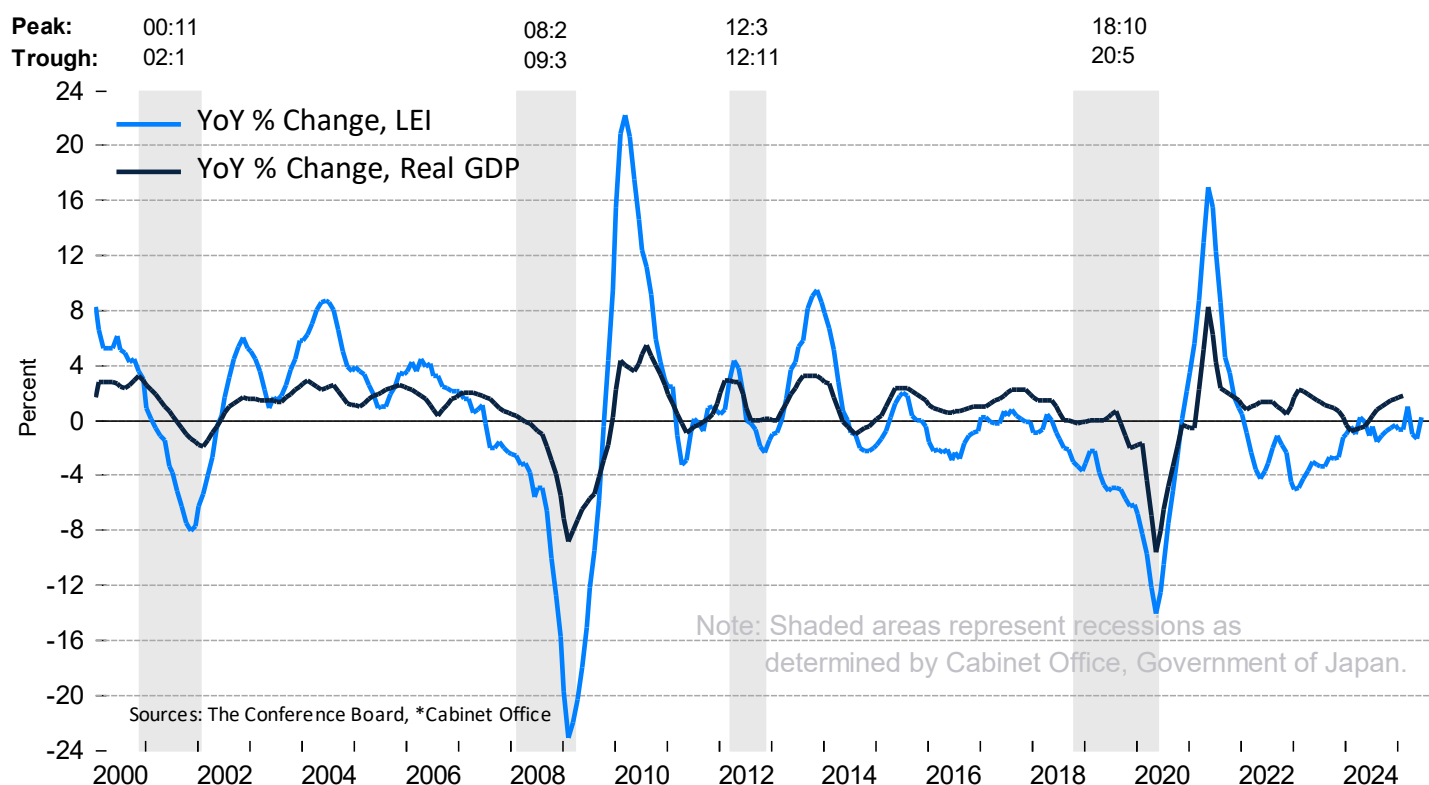
Source: The Conference Board

* 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 annual growth of Japan LEI turned positive, suggesting lessening headwinds to growth ahead



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/>

About The Conference Board

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