

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 fell in July

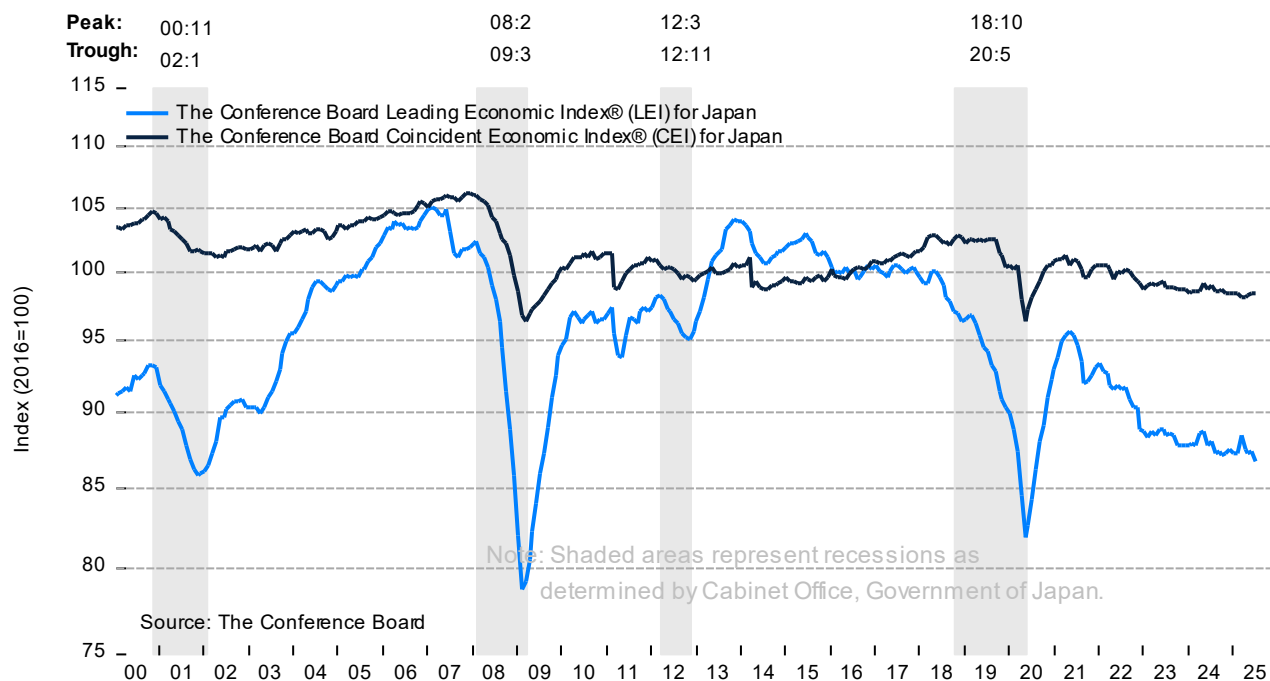
The Conference Board Leading Economic Index® (LEI) for Japan decreased by 0.7% in July 2025 to 86.7 (2016=100), after rising by 0.2% in June and falling by 0.3% in May. Over the six-month period between January and July 2025, the LEI for Japan declined by 0.5%, half the rate of decline of -1.0% between July 2024 and January 2025.

The Conference Board Coincident Economic Index® (CEI) for Japan was unchanged in July 2025 at 98.4 (2016=100), after rising by 0.2% in June. The CEI for Japan improved by 0.1% over the most recent six-months period ending in July 2025, only partially reversing a 0.6% contraction over the previous six months (July 2024 to January 2025).

“The Japan LEI dipped in July” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “In April and May, the Index declined as a result of the new building laws, which caused a huge drop in the volume of dwelling units started. New housing construction started to recover in June and continued to increase slowly in July. However, declines in new orders for manufacturing and construction, suspension of transactions and labor productivity, which were all weak based on 3-month moving averages, drove the LEI down again in July. Notably, the weakness in construction orders was partly due to the limited number of large-scale projects in manufacturing. The LEI growth rates on both a 6-month and annual basis were negative, suggesting potential headwinds in the economic environment. Regardless of relatively solid Q2 GDP growth, The Conference Board forecasts Japan growth at around 0.9% in 2025, downwardly revised from originally estimated 1%, with further softening in 2026.”

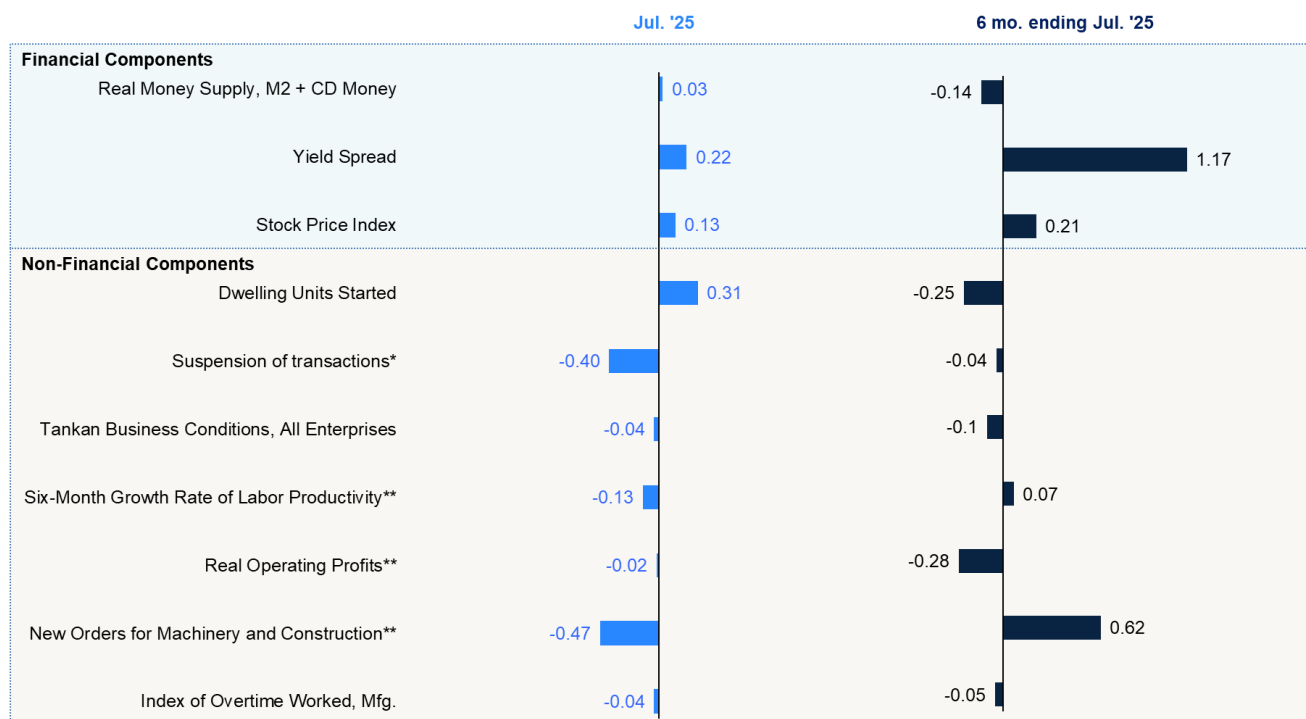
The next release is scheduled for Thursday, October 9, 2025, at 10:30 A.M. ET.

The Japan LEI decreased in July



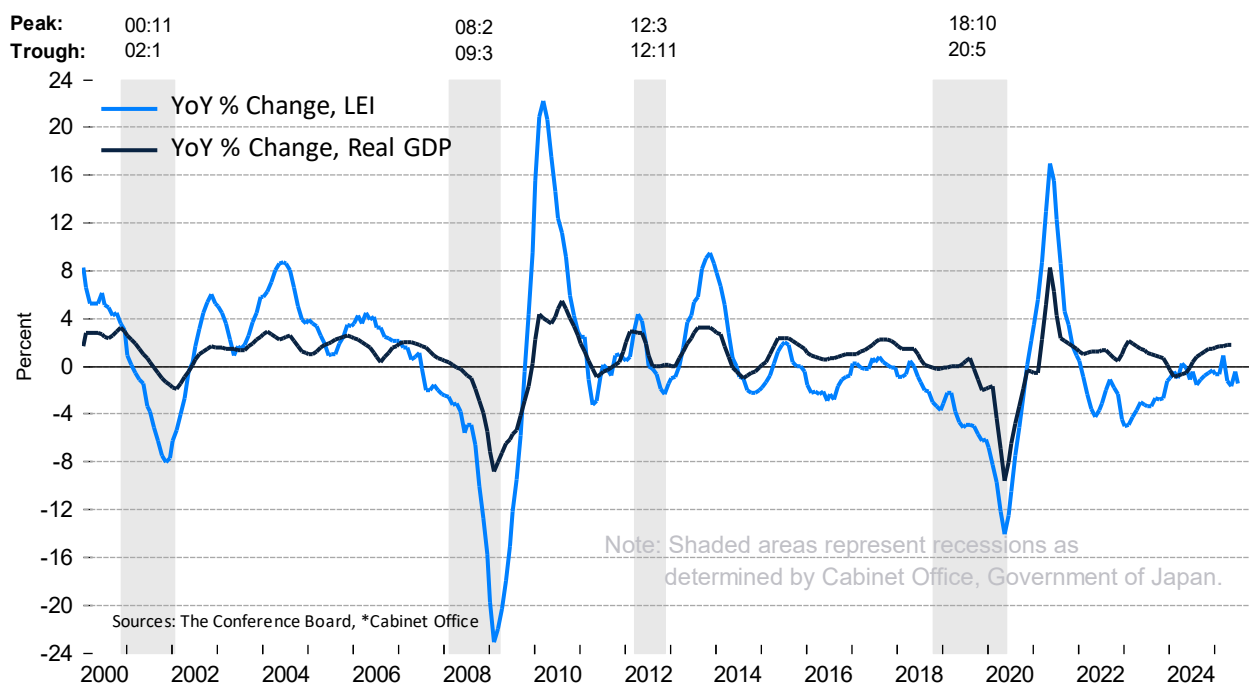
New orders and suspension of transactions drove down LEI in July

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 was negative, signaling potential headwind in the economic environment



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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