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 Declined in September

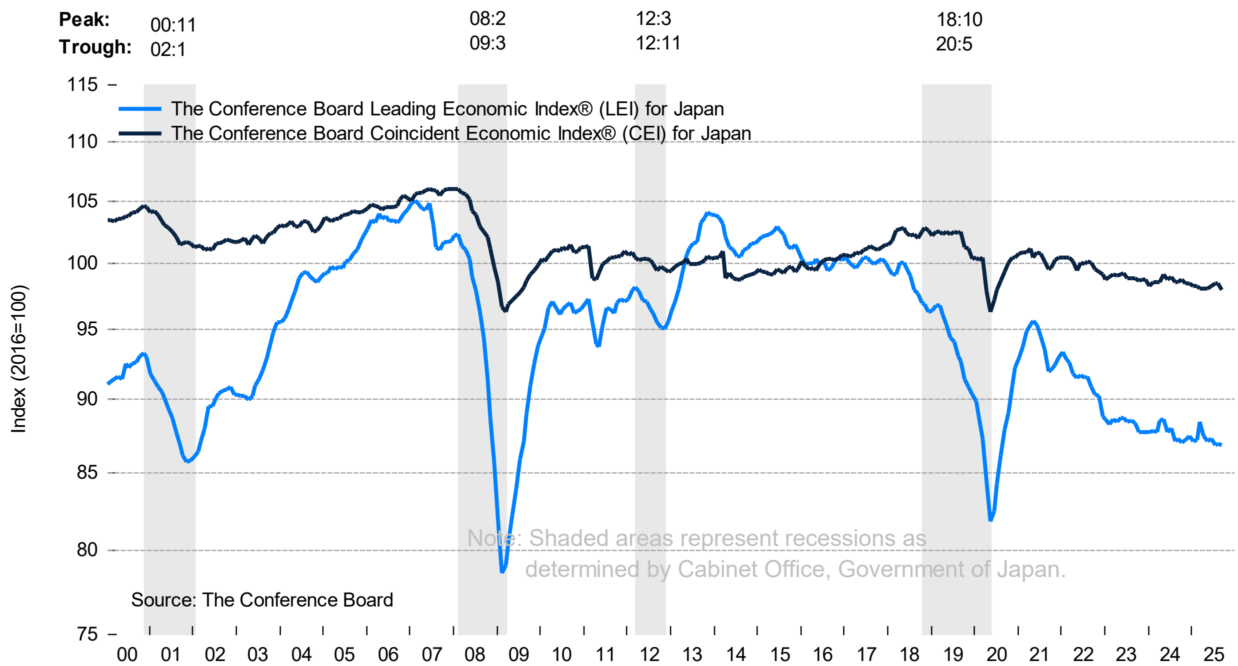
The Conference Board Leading Economic Index® (LEI) for Japan declined by 0.1% in September 2025 to 86.8 (2016=100), reversing a 0.1% increase in August (downwardly revised from 0.3%). Over the six-month period between March and September 2025, the LEI for Japan also declined by 1.8%, which is a deterioration from a 1.3% growth between September 2024 and March 2025.

The Conference Board Coincident Economic Index® (CEI) for Japan declined by 0.4% in September 2025 to 98.0 (2016=100), after being unchanged in August, according to revised data. The CEI for Japan inched down by 0.1% over the most recent six-months period ending in September 2025, continuing the 0.4% decrease over the previous six months (September 2024 to March 2025).

“In September, the Japan LEI declined, erasing the small gain made in August” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “As in August, the increases came from financial components, including stock prices, which reached a new all-time high. However, these gains were not enough to offset substantial weaknesses in suspension of transactions, overtime worked in manufacturing and six-month growth rate of labor productivity. While the monthly decline was limited, the LEI’s six-month growth rate fell much deeper into negative territory, but this was largely driven by impact of the fluctuations in building permits around the regulatory changes on April 1st. Meanwhile, the annual growth was only slightly negative, signaling no major headwinds in the near term. As of now, The Conference Board forecasts Japan GDP to expand by around 1.3% in 2025, with growth slowing to 0.9% in 2026.”

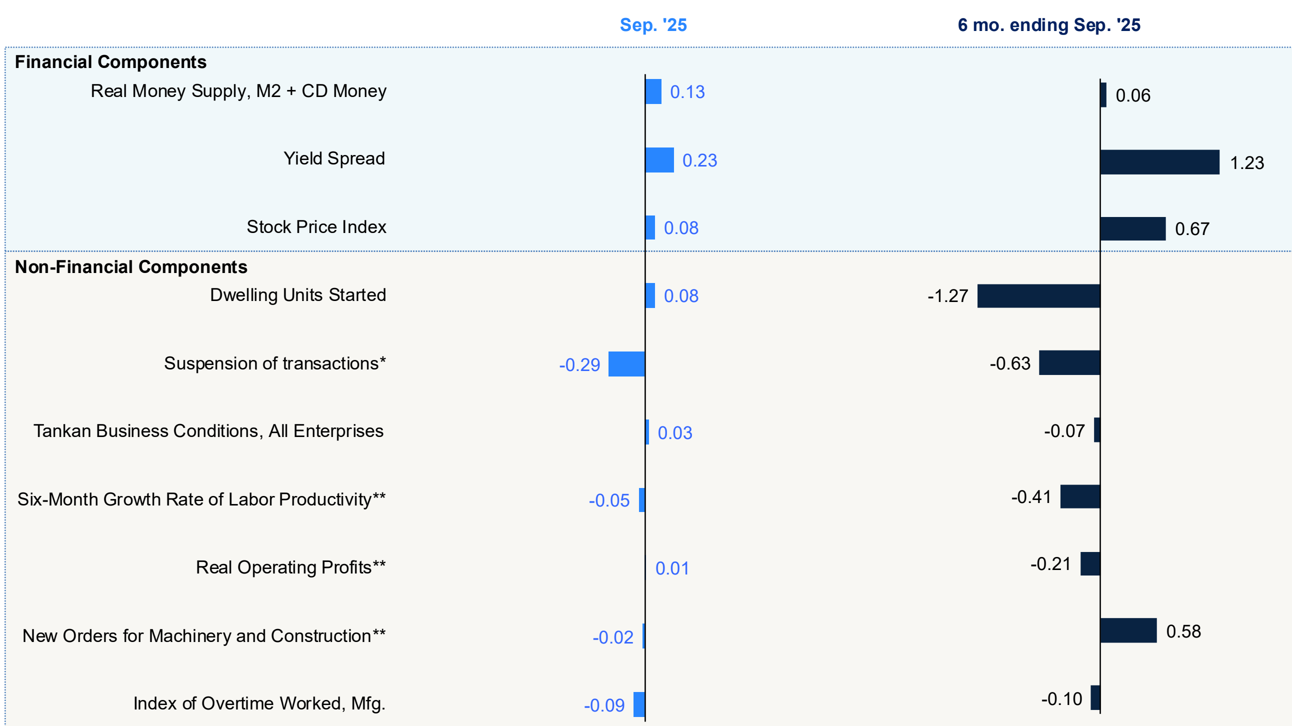
The next release is scheduled for Wednesday, December 10, 2025, at 10:30 A.M. ET.

The Japan LEI ticked down in September



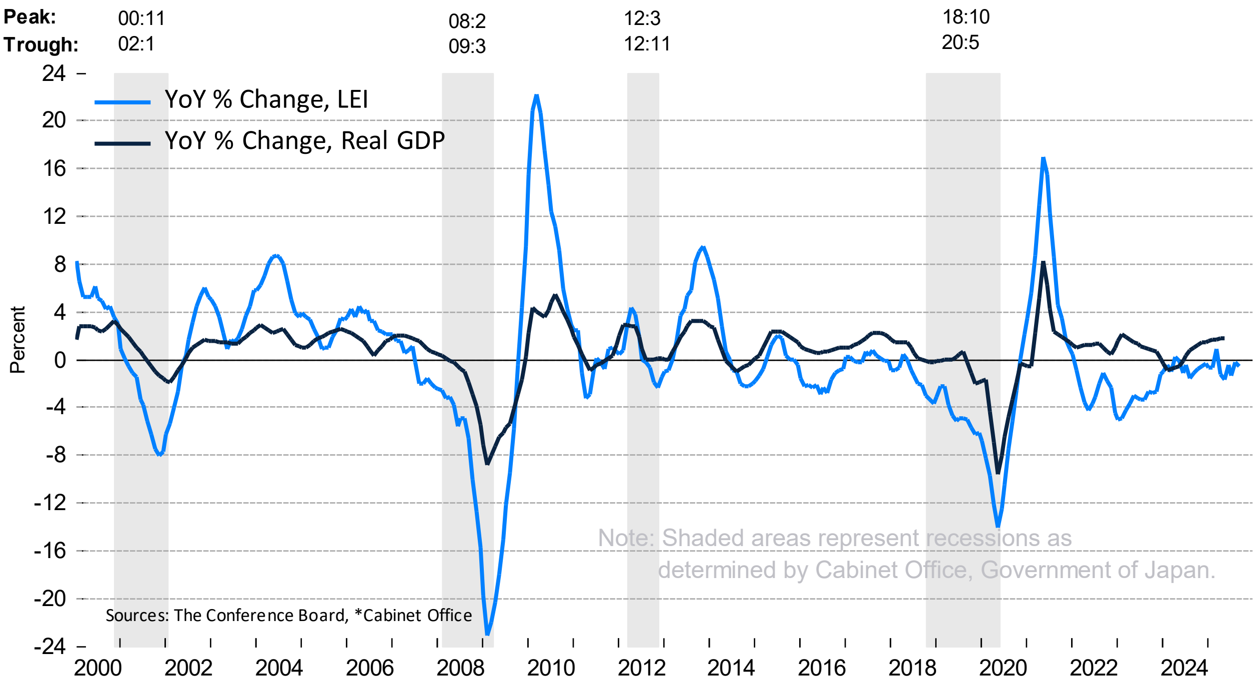
Despite positive financial components, weakness among other components pushed LEI lower

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 only slightly negative in September, signaling no major headwinds to economic activity in the near term



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/