

Nikkei Flash Japan Manufacturing PMI™

Operating conditions improve at weaker rate

Key points:

- Flash Japan Manufacturing PMI™ at 50.9 (51.7 in August). Operating conditions improve at slower rate.
- Flash Japan Manufacturing Output Index at 51.4 (51.1 in August). Growth in production little-changed from August's modest pace.

Data collected 11 – 21 September.

Today sees the latest public release of the **Nikkei Flash Japan Manufacturing Purchasing Managers' Index™ (PMI™)**. Published on a monthly basis approximately one week before final PMI data are released, this makes the PMI the earliest available indicator of manufacturing sector operating conditions in Japan. The estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate indication of final PMI data.

Flash Japan Manufacturing PMI™ Summary

PMI	Increase, slower rate
Output	Increase, faster rate
New Orders	Increase, slower rate
New Export Orders	Decrease, change of direction
Employment	Decrease, change of direction
Backlogs of Work	Decrease, change of direction
Output Prices	Decrease, change of direction
Input Prices	Increase, unchanged in August
Stocks of Purchases	Decrease, change of direction
Stocks of Finished Goods	Decrease, slower rate
Quantity of Purchases	Decrease, faster rate
Suppliers' Delivery Times	Lengthened, weaker extent

Comment:

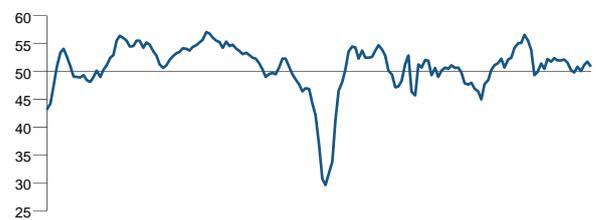
Commenting on the Japanese Manufacturing PMI survey data, **Amy Brownbill**, economist at Markit, which compiles the survey, said:

“September PMI data pointed to a general slowdown in the expansion of the Japanese manufacturing sector. New order growth moderated, having increased in August at the fastest rate since January. Underpinning the slowdown in total new order growth was a sharp reduction in international demand as new export orders dropped to the greatest extent for 31 months. A number of panellists blamed a fall in sales volumes from China leading to a decrease in new exports. Subsequently, employment levels declined for the first time since March.

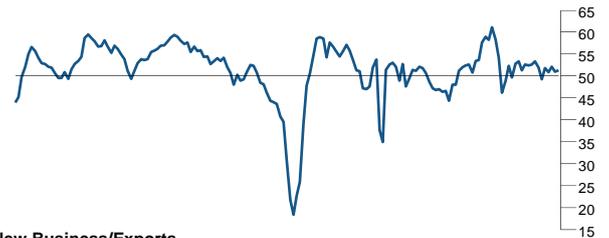
Nikkei Flash Japan Manufacturing PMI

sa, 50 = no change on previous month

Purchasing Managers' Index (PMI)



Production



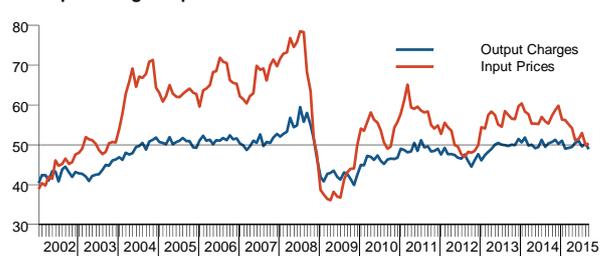
New Business/Exports



Employment/Backlogs of Work



Output Charges/Input Prices



-Ends-

Sources: Nikkei, Markit

Nikkei Flash Japan Manufacturing PMI™ is sponsored by

Nikkei is a media organization with newspaper publishing at its core. Our flagship daily newspaper, The Nikkei, has approximately three million subscribers. Nikkei's multi-platform media distribution also includes online, broadcast and magazines.

The Nikkei will mark its 140th anniversary next year. Since our start in 1876 as the Chugai Bukka Shimpō (Domestic and Foreign Prices News), we have consistently provided high-quality reporting on economic and other news while maintaining fairness and impartiality. The Nikkei brand has become synonymous with trustworthiness at home and abroad.

Nikkei Inc. offers a range of media platforms to satisfy the diverse needs of our readers. At the core of these services is The Nikkei which has a circulation of approximately three million. Adding further depth to our offerings are our premium content and strong digital technology, all underpinned by our excellent people. The number of paying subscribers to the Nikkei Online Edition, which was launched in 2010, has surpassed 400,000. Our fee-based online services have one of the largest readerships in the world among newspaper publishers. Five years after its creation, the online edition is set to evolve from a medium for providing news to readers into a tool that helps people advance their careers.

In 2013, we kicked off the Nikkei Asian Review, an English-language news service provided both online and as a weekly print magazine. The following year, we established an Editorial Headquarters for Asia in Bangkok to deepen our coverage of Asian economic news. In addition, we doubled the number of reporters stationed in Asia outside Japan. 2014 also saw the launch of Nikkei Group Asia Pte., a new company in Singapore tasked with spreading the Nikkei brand in the region. Our goal is nothing short of making Nikkei the leading media voice in Asia.

<http://www.nikkei.co.jp/nikkeiinfo/en/>

<http://asia.nikkei.com/>

INTRODUCING THE ONLY BUSINESS PUBLICATION THAT BRINGS YOU INSIGHTS ABOUT ASIA, FROM THE INSIDE OUT

With more reporters and contributors across the region than any other business publication, only Nikkei Asian Review can give you a view of business in Asia from the inside.

Stay abreast of the latest news, analysis and insights with a subscription to Nikkei Asian Review – available in print, online, and on your mobile and tablet device.



POLITICS & ECONOMY:

Looking at fiscal and monetary policy, international affairs and more.



MARKETS:

Deep analysis of the markets, with detailed industry news to keep you abreast of some of the fastest growing sectors in the region.



VIEWPOINTS:

Bringing views of leading minds on Asia from around the world, we provide a forum on Asia, for Asia watchers everywhere.



ASEAN 100 / INDIA 40:

Gives readers an in-depth look into the 140 most powerful and influential companies in the region.



JAPAN UPDATE:

Keeping you up-to-date with business and news from Japan.

For further information, please contact:

Markit (About PMI and its comment)

Amy Brownbill, Economist
 Telephone 44-1491-461-063
 Email amy.brownbill@markit.com

Joanna Vickers, Corporate Communications
 Telephone 44-207-260-2234
 Email joanna.vickers@markit.com

Nikkei inc.

Ken Chiba
 Atsushi Kubota
 Public Relations Office
 Telephone +81-3-6256-7115
 Email koho@nex.nikkei.co.jp

Note to Editors:

Final September data are published on October 1st.

The Nikkei Japan Manufacturing PMI™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in over 400 industrial companies. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP. The manufacturing sector is divided into the following 8 broad categories: Basic Metals, Chemicals & Plastics, Electrical & Optical, Food & Drink, Mechanical Engineering, Textiles & Clothing, Timber & Paper, and Transport. The **flash** estimate is based on around 85% of total PMI survey responses each month and is designed to provide an accurate advance indication of the final PMI data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2008 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias)

Index	Average difference	Average difference in absolute terms
Japan Manufacturing PMI ⁽¹⁾	0.0	0.3
Japan Manufacturing Output Index ⁽²⁾	0.0	0.5

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

Markit 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 Markit. Please contact economics@markit.com.

Notes

1. The Manufacturing PMI is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
2. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"

About Markit

Markit is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency. Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ approximately 4,000 people in 11 countries. Markit shares are listed on Nasdaq under the symbol MRKT. For more information, please see www.markit.com.

About PMI

Purchasing Managers' Index™ (*PMI*™) surveys are now available for over 30 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to www.markit.com/economics.

The intellectual property rights to the Nikkei Japan Manufacturing *PMI*™ provided herein are owned by or licensed to Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*™ and *PMI*™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Nikkei use the above marks under license. Markit is a registered trade mark of Markit Group Limited.