Japan Trade Report
June 2026

Released on July 6th., 2026

Outline

1. Summary

1.1 Global Economy and Merchandise Trade

The J.P.Morgan Global Manufacturing PMI posted 52.2 in June, down from May's 50-month high of 52.7 and its lowest reading since March. Manufacturing production rose for the eleventh consecutive month in June, with expansions signalled across the consumer, intermediate and investment goods sub-industries. The steepest rate of growth was registered in the investment goods category and the weakest in consumer products.

Output increased in the majority of the regions covered by the survey. Growth was registered in mainland China, the US, the Euro area, Japan and the UK, with rates of expansion easing in the first two but accelerat -ing in the latter three.

Latest "OECD Economic Outlook June 2026" released in this June addressed that the conflict in the Middle East escalated at a time when the global economy was relatively robust. Global trade momentum has also been solid. Export growth from Korea and Japan also strengthened in the first quarter of 2026. By contrast, trade in cars was relatively weak at the end of 2025.

Manufacturing PMI

Country	May-26	Jun-26
Japan	54.5	54.8
China	50.0	50.3
United States	55.1	53.9
Australia	50.7	51.5
Taiwan	56.1	55.2
Korea	54.8	52.1
Thailand	52.6	53.6
UAE	52.6	50.8
Vietnam	52.8	51.8
Germany	51.0	50.3
Saudi Arab	52.8	53.3

Data Source from S&P Global.

1. Summary

1.2 Macro Economy of Japan

The assessment released by the Cabinet Office, Japan on June 30th in its Monthly Economic Report kept almost the same remarks on May's Japanese economy. The report mentioned that the private consumption and business investment were picking up, export and industrial production were stable, corporate profits and employment were improved, and consumer prices had been rising moderately.

In general, the report indicated that Japanese economy was recovering at a moderate pace, while attention should be given to the effects caused by the war in the Middle East, including the weak movements of consumer sentiment recently. The report remained the same advice on paying more attention to the fluctuations in the financial and capital market

Meanwhile, OECD report indicated moderately growing Japan's economy despite external headwinds. Real GDP is projected to ease slightly but continue to expand at a moderate pace, growing above potential at 0.6% and 0.8% in 2026 and 2027, respectively. With the headwinds from the rising cost of energy imports, domestic demand will ease but remain the main driver of growth. High corporate profits will enable continued solid wage growth, which will support private consumption. Business investment is projected to be supported by ample internal finance and government measures, including the fiscal stimulus package introduced in November 2025. Stronger price pressures due to higher energy prices are partly offset by

1. Summary

1.2 Macro Economy of Japan

subsidies, and headline consumer price inflation is projected to move back to the 2% target in late 2027.

The main risks are higher energy prices, potential disruptions in supply chains and weaker-than-expected external demand due to geopolitical tensions and trade policy uncertainty. A prolonged disruption to shipments through the Strait of Hormuz could adversely affect households and firms. Sharp movements in bond and equity prices could destabilise financial markets and hurt the balance sheets of financial institutions and the government. A loss of confidence in Japan's fiscal sustainability and an increase in the sovereign risk premium could also adversely affect the financial sector and the real economy. Faster-than expected reconstruction of global supply chains and the development of new export channels could further boost exports and support growth.

Thirdly, the statistics on machinery order released by Japanese government illustrated that the leading indicator of private equipment investment, "Private demand excluding ship and electricity" increased by 8.7% in May m-o-m, marking first increase in last two months. In consideration of the Three-month Moving Average Index is 3.7% increase m-o-m and the leading indicator changed from minus 9.4% in April to positive 8.7% in May, the overall business scenario indicates the recovery of the private equipment investment.

1. Summary

1.3 Merchandise Trade of Japan

The export trade value released in terms of JPY by the Ministry of Finance, Japan increased by 17.0% y-o-y while the import trade value increased by 12.5% in this May. Both export and import trade are ranked the top one in May in the history. However, weak Japanese yen has generated imported inflation. The import trade value increased but the volume index decreased by 6.8% in this May which was higher than 3.4% in the last month.

Overall, Japan's merchandise trade with overseas countries remained stable or even a little bit active. From Japan Machine Tool Builders' Association, overseas orders dropped by 2.3% from March to 139.68 billion yen in April and showed an increase of 45.8% y-o-y, and this marked the nineteenth consecutive month of y-o-y growth.

However, it is remarkable that the PKS and wood pellet import increased about 15% y-o-y until the end of May while the trade volume with UAE and Saudi Arabia decreased 25.9% and 7.9%. The is the direct reflect of the war in the Middle East since most of Japanese energy product are imported from there. Trade is a mirror of the geopolitical conflict.

Meanwhile, It is worth noting that Japan's total steel export volume fell by 8.61% year-on-year in May. While steel export shipments to mainland China, Taiwan, and Southeast Asia experienced a substantial decline, steel imports dropped by 12.99% y-o-y in May, largely driven by a sharp decrease from mainland China and Taiwan.

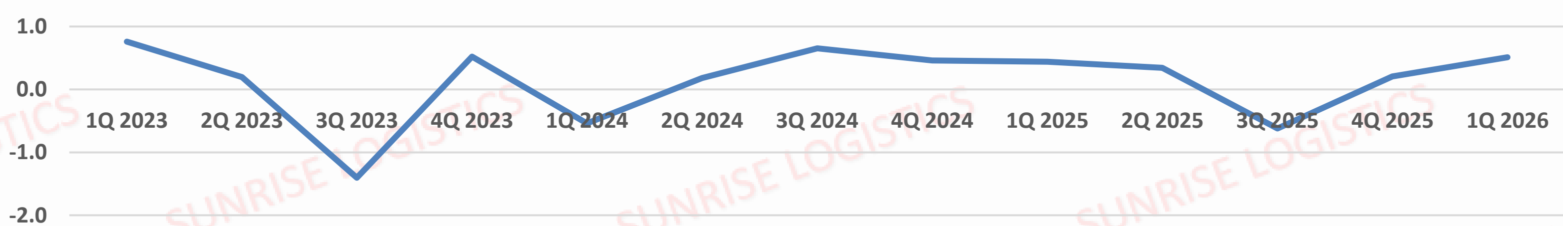
2. Appendix

2.1 GDP Growth Rate, quarterly

Growth Rate	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Japan	0.2	-1.4	0.5	-0.5	0.2	0.7	0.5	0.4	0.3	-0.6	0.2	**0.5**
China	1.2	1.6	0.9	1.3	1.0	1.4	1.6	1.2	1.0	1.1	1.2	**1.3**
United States	0.6	1.2	0.8	0.2	0.9	0.8	0.5	-0.2	0.9	1.1	0.2	**0.5**
EU	0.1	0.1	0.1	0.4	0.3	0.4	0.5	0.5	0.3	0.4	0.2	**0.1**
Australia	0.4	0.4	-0.1	0.4	0.2	0.3	0.3	0.4	0.8	0.5	0.8	**0.3**
Taiwan	2.5	2.0	2.6	0.1	0.6	1.5	1.8	0.9	3.8	1.6	6.5	**1.7**
Korea	0.7	0.8	0.5	P 1.2	P -0.2	P 0.1	P 0.1	P -0.2	P 0.7	P 1.3	P -0.2	**P 1.7**
Germany	P -0.1	P 0.0	P -0.3	P -0.1	P -0.3	P 0.0	P 0.2	P 0.4	P -0.2	P -0.0	P 0.3	**P 0.3**
Saudi Arabia	-0.4	-2.6	0.3	2.4	1.1	0.8	1.0	0.6	1.9	1.2	1.4	**-1.5**
India	1.2	1.9	1.8	1.8	1.8	1.3	1.9	1.8	1.8	2.1	1.8	**P 1.8**
Mexico	P 0.7	P 0.8	P 0.1	P 0.2	P -0.1	P 1.2	P -1.0	P 0.3	P 0.5	P 0.1	P 0.9	**-0.8**
Brazil	0.8	0.1	0.3	0.8	1.7	0.8	0.0	1.3	0.3	0.1	0.3	**1.1**

Data source: Quarterly real GDP growth - OECD countries
Note 1: % with quarter on quarter
Note 2: P indicates provisional value.

Japan GDP Quarterly Growth Rate (%)



2. Appendix

2.2 Indexes of Business Conditions

Indexes of Business Conditions January 2026 Revised Release (May 26th, 2026)							
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Leading Indexes	109.8	109.9	111.0	112.1	113.3	114.5	**116.1**
Coincident Indexes	115.9	114.9	114.3	117.9	116.3	116.5	**118.1**
Lagging Indexes	112.2	112.9	110.3	112.2	113.1	113.4	**111.9**

Data source: Cabinet Office, Japan
Note: 2020 = 100

Business survey index, Business Conditions, Business Outlook Survey (June 11th, 2026)					
	Oct.-Dec. 2025 (previous)	Jan.-Mar. 2026 (previous)	Apr.-Jun. 2026 (present)	Jul.-Sep. 2026 (outlook)	Oct. - Dec. 2026 (outlook)
Corporations with capital of 1 billion yen or over					
All industries	4.9	4.4	-0.5	4.3	4.5
Manufacturing	4.7	3.8	-1.8	4.4	5.8
Non-manufacturing	5.1	4.6	0	4.2	4.0
Corporations with capital of 100 million to 1 billion yen					
All industries	4.7	0.2	-3.9	1.8	6.4
Corporations with capital of 10 to 100 million yen					
All industries	-3.7	-12.9	-17.6	-10.6	-3.4

Data source: Business Outlook Survey, Policy Research Institute, Ministry of Finance, Japan
Note: % with by quarter on quarter.

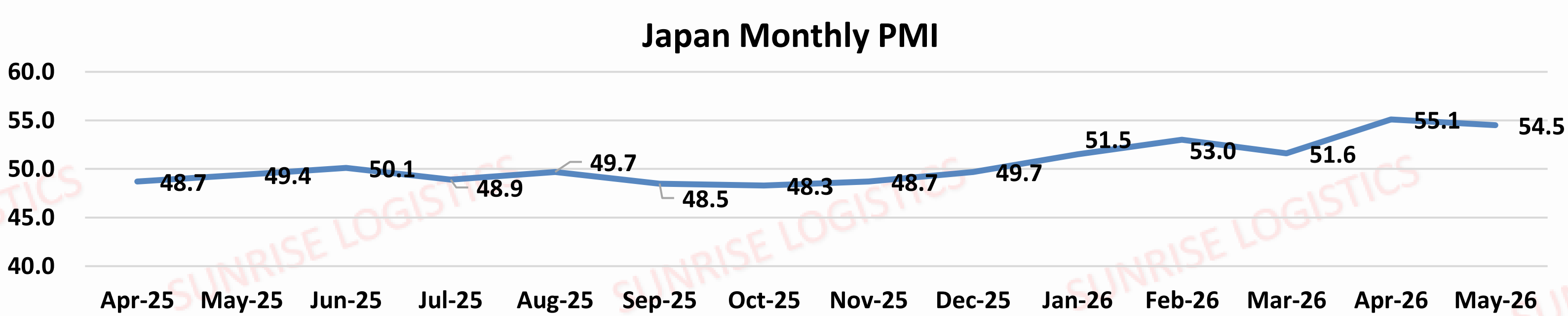
2. Appendix

2.3 Manufacturing PMI

Country	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Japan	51.5	53.0	51.6	55.1	54.5	54.8
China	49.3	49.0	50.4	50.3	50.0	50.3
USA	52.4	51.6	52.3	54.5	55.1	53.9
Australia	52.3	51.0	49.8	51.3	50.7	51.5
Taiwan	51.7	55.2	53.3	55.3	56.1	55.2
Korea	51.2	51.1	52.6	53.6	54.8	52.1
Thailand	52.7	53.5	54.1	52.7	52.6	53.6
UAE	54.9	55.0	52.9	52.1	52.6	50.8
Vietnam	52.5	54.3	51.2	50.5	52.8	51.8
Germany	49.1	50.9	52.2	51.4	51.0	50.3
S. Arabia	56.3	56.1	48.8	51.5	52.8	53.3
India	55.4	56.9	53.9	54.7	55.0	55.0
Mexico	46.3	47.1	48.9	47.7	49.6	51.3
Brazil	47.0	47.3	49.0	52.6	49.1	50.8
ASEAN	52.8	53.8	51.8	50.7	51.5	50.5
Eurozone	49.5	50.8	51.6	52.2	51.6	51.4

Data source: S & P Global Manufacturing PMI

Note: Top ten merchandise trade partner countries in 2023 are selected.



Data Source: S & P Global Manufacturing PMI

2. Appendix

2.4 Merchandise Trade, with major partners

Trade Partner	Export		Import		Export 2026		Import 2026		Total 2026	
	May	Growth Rate	May	Growth Rate	Jan-May	Growth Rate	Jan-May	Growth Rate	Jan-May	Growth Rate
China	1,699,813	17.9%	2,350,158	13.7%	8,399,902	13.6%	12,222,539	13.3%	20,622,441	13.4%
United States	1,695,230	12.3%	1,341,559	26.0%	8,781,687	2.2%	5,961,223	15.8%	14,742,910	7.3%
Australia	220,040	43.4%	560,019	14.9%	1,058,381	21.9%	2,920,830	0.7%	3,979,211	5.5%
Taiwan	834,248	37.7%	545,348	43.2%	3,983,864	26.3%	2,622,338	34.3%	6,606,202	29.4%
Korea	598,471	22.0%	433,463	26.0%	3,172,549	8.2%	2,225,652	20.8%	5,398,200	13.1%
Thailand	372,380	12.6%	354,383	23.4%	1,940,804	15.4%	1,759,988	13.3%	3,700,792	14.4%
UAE	100,691	-23.0%	312,034	-28.1%	701,889	-6.7%	1,480,027	-32.5%	2,181,916	-25.9%
Vietnam	267,571	32.5%	413,268	25.8%	1,317,431	20.5%	2,136,320	16.4%	3,453,751	18.0%
Germany	222,676	8.3%	295,073	-4.1%	1,241,318	17.8%	1,462,335	1.7%	2,703,653	8.5%
Saudi Arabia	52,647	2.4%	157,613	-44.7%	300,736	-23.5%	1,673,476	-4.4%	1,974,212	-7.9%
India	232,461	4.0%	83,650	6.9%	1,297,026	10.4%	485,749	0.9%	1,782,775	7.6%
Mexico	156,560	22.6%	77,409	-2.1%	841,959	14.0%	414,688	7.1%	1,256,647	11.6%
Brazil	55,627	-7.0%	105,499	-5.2%	303,696	-5.5%	593,094	5.3%	896,790	1.4%
Total	9,499,093	16.8%	10,506,425	12.5%	49,731,575	12.6%	50,322,089	7.8%	100,053,664	10.1%

Remark: in million JPY
Note 1: Growth rate is percentage y-o-y.
Note 2: Top ten merchandise trade partner countries in 2023 are selected.

2. Appendix

2.4.1 Steel Trade, export by countries

Year	Grand Total	Thailand	Korea	China	Vietnam	Mexico	Indonesia	India	Taiwan	USA	Kenya
2021	34,400,494	5,928,950	4,896,877	5,124,340	1,956,828	1,944,302	2,310,961	757,496	2,340,610	1,178,478	320,277
2022	32,302,968	5,037,906	5,430,549	3,949,049	1,895,808	1,244,229	2,299,768	847,788	1,808,536	1,268,218	384,242
2023	32,689,507	4,675,719	5,637,409	2,848,622	1,952,373	1,860,280	2,280,535	1,174,818	1,585,177	1,228,514	482,390
2024	31,711,382	4,284,449	4,783,404	2,672,789	2,262,264	1,870,010	2,181,927	2,081,806	1,762,638	1,209,810	508,095
2025	30,394,009	4,346,223	3,842,735	2,335,917	2,195,066	1,640,470	2,019,146	1,566,550	1,833,007	1,096,801	610,482
Q1 2025	7,772,962	1,025,412	1,019,401	584,984	639,437	462,484	559,440	340,715	583,074	276,621	127,520
Apr-2025	2,446,699	334,612	304,094	181,724	171,692	110,879	270,907	54,585	139,899	67,297	59,680
May	2,525,802	370,465	298,907	197,154	227,112	126,248	137,969	60,272	178,053	97,810	48,100
Jun	2,520,146	387,398	306,422	212,257	189,496	145,907	156,974	120,233	166,997	89,957	38,239
Jul	2,630,219	396,203	336,722	191,925	136,716	131,131	135,009	168,559	118,277	125,401	105,700
Aug	2,464,722	370,497	266,210	199,976	162,257	127,651	155,565	167,726	120,788	82,440	51,624
Sep	2,500,407	367,706	328,706	181,242	139,240	128,797	152,416	220,711	134,248	93,381	59,832
Oct	2,543,265	408,635	306,321	215,606	160,739	130,793	180,103	155,870	150,458	74,501	8,967
Nov	2,397,951	333,588	351,876	189,625	179,597	105,793	156,156	127,346	114,191	83,298	85,679
Dec	2,591,835	351,708	324,076	181,425	188,780	170,789	114,606	150,533	127,022	106,096	25,141
Jan-2026	2,283,789	316,489	310,290	185,259	129,485	149,248	162,572	111,277	107,796	89,978	69,148
Feb-2026	2,180,529	334,290	337,632	141,220	130,870	117,803	133,201	100,097	60,749	107,442	33,743
Mar-2026	2,519,789	356,578	351,588	185,706	181,733	204,886	166,147	99,614	128,861	117,588	71,294
Apr-2026	2,282,746	350,545	302,492	190,604	185,696	151,992	165,335	120,852	128,988	97,815	59,428
May-2026	2,381,176	326,831	386,402	153,141	160,679	159,273	131,408	158,750	136,326	139,820	51,051
2026	11,648,028	1,684,733	1,688,404	855,930	788,462	783,203	758,661	590,590	562,720	552,644	284,664
2026/2025	-8.61%	-2.64%	4.07%	-11.20%	-24.06%	11.95%	-21.65%	29.64%	-37.55%	25.11%	20.98%

Source: Ministry of Finance, "Trade Statistics of Japan"

Note: figures for calendar year do not add up to total of cumulative monthly figures because of rounding.

2. Appendix

2.4.2 Steel Trade, import by countries

Year	Grand Total	Korea	China	Taiwan	Others
2021	4,190,766	2,715,996	500,845	743,041	230,884
2022	4,228,895	2,634,547	650,795	795,103	148,449
2023	4,698,356	2,945,624	793,690	855,125	103,917
2024	5,050,046	3,110,530	943,786	885,287	110,444
2025	4,679,011	2,887,326	935,366	814,899	41,421
Q1 2025	1,148,338	718,775	203,472	216,558	9,533
Apr-2025	402,046	255,840	66,919	75,201	4,086
May	414,379	239,412	98,667	72,572	3,728
Jun	363,425	241,800	66,095	52,017	3,513
Jul	459,139	277,059	100,737	78,548	2,796
Aug	359,389	233,906	72,387	49,830	3,266
Sep	394,168	234,891	89,257	65,895	4,126
Oct	372,830	237,360	61,920	69,737	3,814
Nov	377,887	221,109	100,914	52,675	3,188
Dec	387,409	227,173	74,998	81,865	3,372
Jan-2026	351,003	240,722	47,681	59,566	3,035
Feb-2026	355,238	221,150	68,751	62,387	2,950
Mar-2026	365,712	237,909	58,106	66,243	3,454
Apr-2026	325,315	225,193	39,200	58,202	2,721
May-2026	312,319	211,926	44,807	52,083	3,503
2026	1,709,587	1,136,899	258,545	298,480	15,663
2026/2025	-12.99%	-6.35%	-29.94%	-18.07%	-9.71%

Source: Ministry of Finance, "Trade Statistics of Japan"

Note: Figures for calendar year do not add up to total of cumulative monthly figures because of rounding.

2. Appendix

2.4.3 Other Import Trade, mainly by breakbulk

Commodity	PKS	Wood Pellet	Fertilizer	Copper Concentrate	BESS	Windmill
	HS code 1404.90	HS Code 4401.31	HS code 3101.00	HS code 2603.00	HS code 8507.60	HS code 8502.31
From	Indonesia Malaysia	Vietnam Canada USA Malaysia & etc.	China Indonesia Korea Vietnam & etc.	Chile, Peru, Canada, Australia, Indonesia, USA, Papua New Guinea & etc.	China Korea Taiwan USA & etc.	China Great Britain Germany Korea, USA & etc.
Unit	Metric Ton	Metric Ton	Metric Ton	Metric Ton	Metric Ton	Number
2023	3,001,729	5,803,374	38,310	4,802,114	71,330	579
2024	3,581,761	6,381,027	32,553	5,208,369	77,706	318
2025	3,894,540	8,637,757	31,827	4,639,553	106,105	291
Jan-May 2025	1,576,897	3,236,396	15,214	2,072,289	35,664	58
Jan-2026	444,732	800,426	3,109	455,329	12,885	20
Feb-2026	363,727	706,766	2,643	354,785	14,418	11
Mar-2026	451,360	743,388	4,456	359,805	16,192	60
Apr-2026	319,687	818,258	3,067	452,048	17,162	19
May-2026	268,953	643,849	2,231	401,308	17,028	1
Jan-May 2026	1,846,205	3,712,687	15,506	2,023,333	77,686	111
2026/2025 y-o-y	17.1%	14.7%	1.9%	-2.4%	117.8%	58.0%

Data source: Ministry of Finance, “Trade Statistics of Japan”.

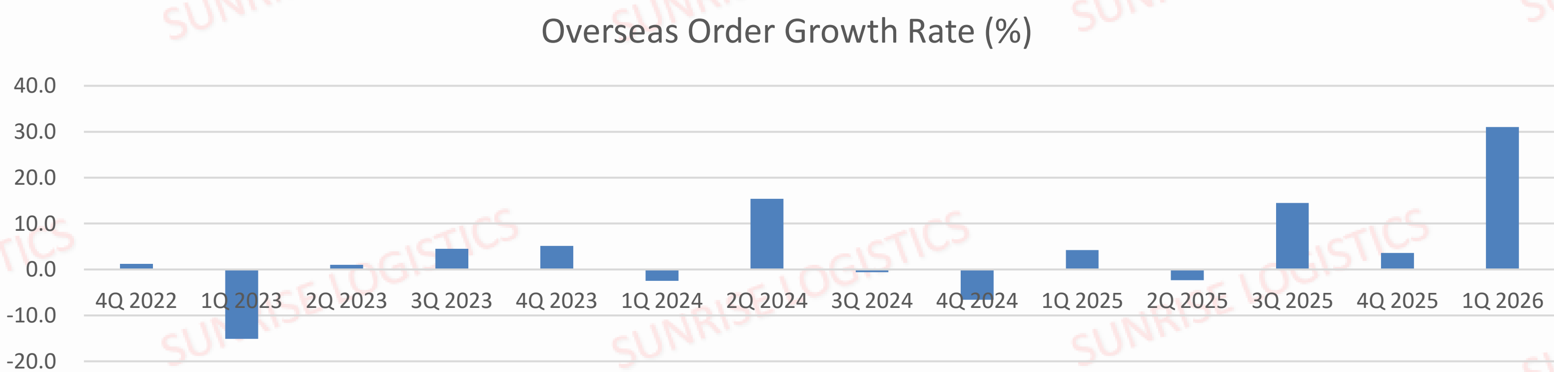
2. Appendix

2.5 Machinery Order

Order from	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026*	Jan-26	Feb-26	Mar-26	Apr-26
Total	-4.0	3.5	10.2	10.3	-1.8	-2.0	-5.0	4.3	3.4
Private sector	4.3	-1.3	6.2	2.6	3.0	-5.5	-1.8	-5.3	5.8
(excluding volatile orders)	0.6	-1.0	6.6	6.4	0.3	-5.5	13.6	-9.4	8.7
Manufacturing	-0.4	5.3	-0.8	10.0	-0.9	-12.5	30.7	-14.2	5.1
Governments	-26.4	-14.7	57.7	-21.3	9.0	-13.1	-19.0	-14.5	-0.9
Overseas	-2.3	14.5	3.6	31.0	-8.1	0.2	-5.1	31.0	-8.6

Data source: Economic and Social Research Institute, Cabinet Office, Japan
Note 1: * indicates forecast data.
Note 2: volatile order indicates orders for ships and electric power projects.
Note 3: growth rate by m-o-m or q-o-q.

Indicator	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Overseas order Growth Rate (q-o-q)	-15.1	1.0	4.5	5.1	-2.5	15.4	-0.6	-6.6	4.2	-2.3	14.5	3.6	**31.0**



2. Appendix

2.6 Machine Tool Order

The growth rate of India dropped sharply in the recent months while the order from China and USA occupied 63.90% of the total amount until March 2026 with about totally 46.68% growth y-o-y. The top ten export destination occupied about 85.21% of the total orders.

Rank	Country	April 2026 (in million JPY)	Growth Rate % (m-o-m)	Growth Rate % (y-o-y)	2026 Aggregated (in million JPY)	Aggregated Growth Rate %
1	China	53,333	3.9	57.0	185,440	49.1
2	USA	35,805	-8.8	31.5	137,375	43.5
3	India	7,657	-34.3	61.4	33,036	16.6
4	Germany	4,469	4.1	32.3	16,516	20.6
5	Korea	3,751	41.3	15.8	12,237	6.5
6	China Taiwan	3,384	53.9	85.4	10,837	55.4
7	Italia	2,729	-22.0	15.8	10,571	28.2
8	Canada	3,264	44.5	292.8	9,801	96.7
9	France	3,113	13.8	127.1	8,462	23.2
10	GBR	2,153	2.9	41.9	7,405	10.3
Total		139,681	-2.3	45.8	505,213	37.9

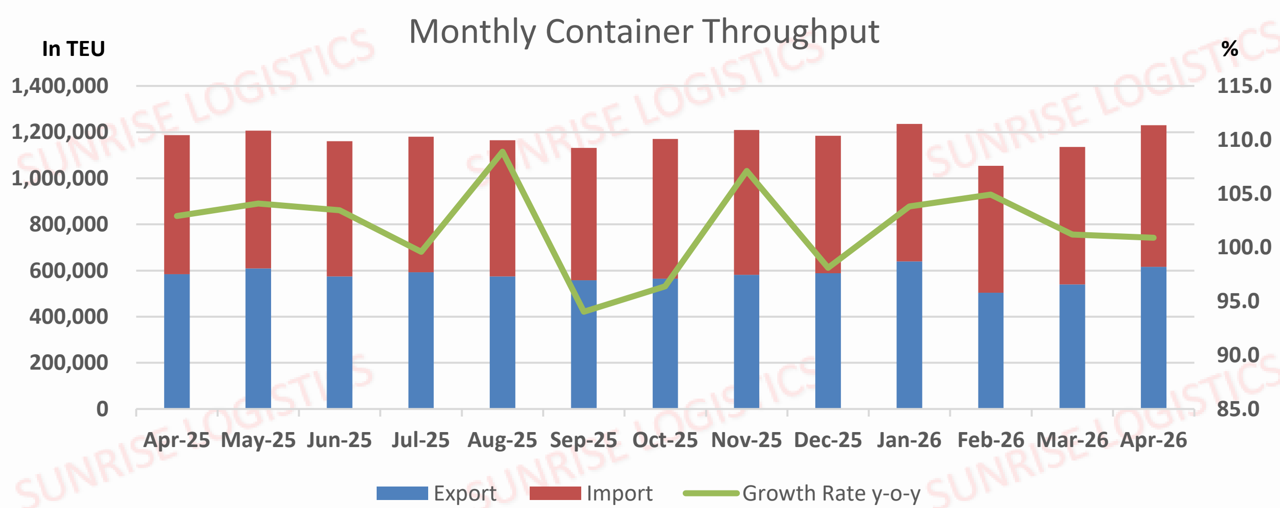
Data source: Japan Machine Tool Builders' Association

2. Appendix

2.7 Container Throughput

Container Throughput in April 2026	Total		Export		Import	
	TEU	Growth Rate	TEU	Growth Rate	TEU	Growth Rate
Total	1,226,091	101	612,194	100	613,897	102
Tokyo	366,642	98	168,461	100	198,181	96
Kawasaki	7,178	96	3,602	108	3,576	86
Yokohama	249,084	103	132,127	101	116,957	106
Nagoya	236,985	105	122,773	102	114,212	108
Osaka	180,600	99	83,371	97	97,229	102
Kobe	185,602	101	101,860	101	83,742	101

Data source: Ministry of land, Infrastructure, Transport and Tourism, Japan
Note: Container Throughput in TEU and Growth Rate in % y-o-y.



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