

Atradius Payment Practices Barometer

B2B payment practices trends Japan 2025



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About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **Japan**.

The survey was conducted during the second half of Q2 2025. Findings should therefore be viewed with this in mind.



B2B payment practices trends

Ongoing pressure on cash flow amid anxiety over bad debts

Although conditions in Japan's B2B credit risk environment appear stable on the surface, our survey finds there are some signs of vulnerability affecting businesses. 53% of companies tell us that customer payment behaviour has remained consistent in recent months, while overdue invoices currently affect 45% of B2B sales on credit. On average, overdue payments are settled more than a month past due, with the prime causes being customer liquidity issues and delays in the payment process.

Bad debts have levelled off at an average 6% of B2B invoices, reflecting ongoing pressure on cash flow for many businesses across all sectors. Against this backdrop, nearly half of companies in Japan have not increased trade credit offerings in recent months, aiming to avoid increased exposure to customer payment risk. Most firms have kept payment terms unchanged, with average credit periods standing at 45 days from invoicing.

This contributes to predictable Days Sales Outstanding (DSO) for most companies, yet also limits ability to accelerate cash inflows from receivables. Inventory turnover has stabilised for many firms, although around 35% report stock build-ups, which tie up liquidity and hinder financial flexibility. More than half of Japanese companies are maintaining the same pace in paying their suppliers, but among those adjusting their approach, slower payments are common, probably as a tactic to preserve cash and prevent liquidity bottlenecks.

Supplier credit is the most widely used form of trade finance, with three in five companies relying on this. While bank loans and invoice financing remain valuable options for funding business activities, they are used less often. 42% of companies in Japan use a mix of internal provisioning and credit insurance to mitigate customer payment risk. However, many firms say they prefer to rely solely on internal reserves to protect the business against customer defaults rather than a combined strategy.

Key figures and charts on the next page



Key figures and charts

Japan

% of the total value of B2B invoices paid on time, overdue and bad debts

(change vs. 2024)



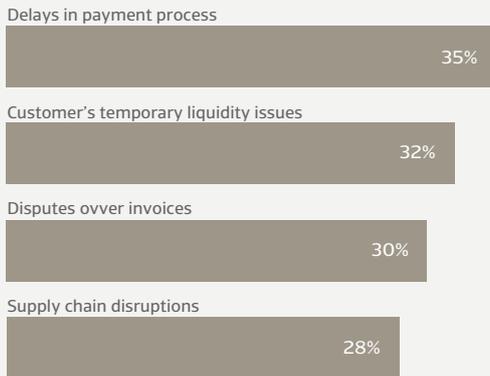
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025

Japan

What are the top 4 reasons your B2B customers pay invoices late?

(% of respondents - multiple response)



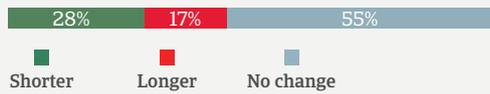
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025

Japan

% of respondents reporting changes in Days Sales Outstanding (DSO)* over the past 12 months

(% of respondents)



*average amount of time to collect payment after a sale

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025

Japan

What are the main sources of financing that your company used during the past 12 months?

(% of respondents - multiple response)

- 58% Trade credit
- 54% Bank loans
- 51% Invoice financing
- 35% Internal funds

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025





Looking ahead

Cautious mood amid widespread concern about sales and profitability

A wait-and see stance is taking hold among Japanese companies as they look to the second half of the year and beyond. While 58% of firms in our survey expect the level of B2B customer insolvencies to remain unchanged, this perceived stability is undercut by growing concerns about domestic economic conditions and ongoing uncertainties in global trade policy. These macro-economic pressures are weighing on business confidence and shaping financial expectations across industries.

Most companies anticipate little to no change in key working capital indicators in the months ahead. Payment collection cycles (DSO), inventory turnover, and supplier payment timings (DPO) are all expected to remain stable. While this consistency ensures predictability, it also implies limited flexibility to accelerate cash flow generation from receivables or stock. In such an uncertain economic environment, this could create liquidity pressure, particularly if suppliers shorten payment terms to safeguard their own liquidity levels.

One consequence of this is that expectations for sales performance and profitability remain subdued. Most companies across industries forecast steady sales but express concern that profit margins may stagnate or even decline, primarily due to rising production input costs. To hedge against B2B customer payment risks in these challenging conditions, most companies report a continued reliance on their current risk management strategies. However, among those currently dependent on internal provisioning, there is growing interest in outsourced credit risk management, including insurance solutions, a sign that businesses are seeking more strategic protection in an unpredictable market.

As Japan's corporate sector braces for economic and trade-related headwinds through the year ahead, businesses in various sectors widely acknowledge the need to remain responsive and adaptable. Many express growing concern about financial vulnerabilities, which could leave them increasingly exposed to liquidity pressures if further economic shocks occur.



Key industry insights

Chemicals

44% of B2B sales in the chemicals sector are transacted on credit, reflecting a cautious but steady approach to trade credit. While a smaller share of companies has increased credit offerings, the majority maintain a preference for upfront payments. Payment policies are largely unchanged, average terms set at 44 days from invoicing, while late payments currently affect 48% of B2B transactions. On average, these are settled more than a month past due, mostly due to inefficiencies in customer payment processes. While bad debts remain aligned with overall averages, at nearly 6%, this still places strain on cash flow.

Most companies report no change in DSO, inventory turnover is largely steady, although some firms report stock build-ups that tie up liquidity and DPO is also stable. The most widely used trade finance tool is supplier credit. To manage customer payment risks 39% of companies combine internal provisioning with credit insurance, but more than one-third rely solely on internal buffers. 64% of companies do not expect a rise in customer insolvencies, but there is caution overall. While businesses anticipate stable sales and profits there is also anxiety about heightened risks due to regulatory changes, environmental demands, and fluctuating input costs.

Japan - Chemicals

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)

Balancing customer terms with financial stability

35%

Managing impact of volatile financing costs

33%

Assessing customer creditworthiness

31%

Late payments

31%

Maintaining customer relationships

29%

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025



Japan - Chemicals

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

56%

Trade credit

55%

Bank loans

51%

Invoice financing

33%

Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

29%

Increase

64%

Remains as current

7%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

53%

Being responsive to market changes

51%

Increasing regulations

38%

Rising production input costs

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan - 2025





Key industry insights

Consumer durables

The consumer durables sector transacts 51% of B2B sales on credit, a sign of steady trade credit practices. While most companies have consistent credit policies, a notable share are expanding credit offerings to support buyers amid evolving market conditions. Invoice payment terms average 42 days, while overdue payments now affect 49% of all B2B invoices. Delays are largely driven by invoice disputes and inefficiencies in customer payment processes, and mean that overdue payments typically extend more than a month beyond due dates. Bad debts currently average 8% of B2B invoices, putting pressure on cash flow and increasing financial exposure.

DSO is unchanged for most businesses and inventory turnover remains flat, with many companies reporting stock build-ups that trap working capital. DPO is also steady, helping to preserve supplier relationships. Trade credit remains the dominant trade finance tool, while bank credit, invoice financing, and internal reserves are comparatively underused. 54% of companies rely solely on internal provisioning to mitigate customer payment risk, while more than a third also use outsourced risk management. Nearly half of firms expect B2B customer insolvencies to remain stable, though many express concern about regulatory pressures, global disruptions, and liquidity risks.

Japan - Consumer durables

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)

Assessing customer creditworthiness

43%

Maintaining customer relationships

36%

Handling economic shifts impacting customer payments

36%

Late payments and bad debts

31%

Balancing customer terms with financial health protection

30%

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025



Japan - Consumer durables

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

66%

Trade credit

55%

Invoice financing

54%

Bank loans

30%

Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

41%

Increase

49%

Remains as current

10%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

65%

Increasing regulations

50%

Being responsive to market shifts

46%

Ongoing geopolitical developments

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan - 2025





Key industry insights

Textile and clothing

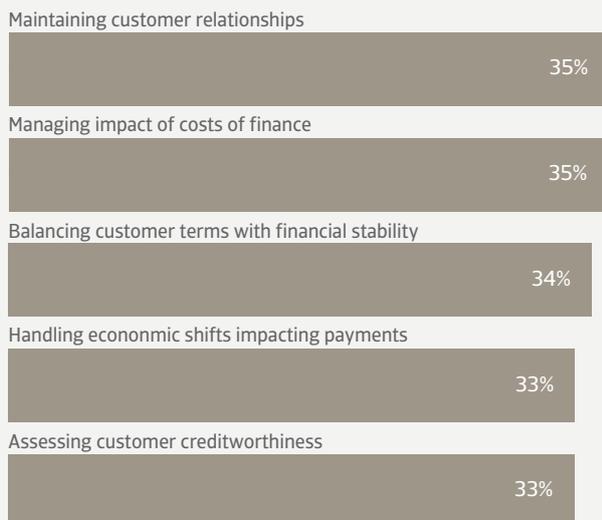
A risk-averse shift in B2B trade credit policy is evident in the textile and clothing sector with just 44% of B2B sales transacted on credit in recent months. While most companies have an unchanged approach to offering credit, a notable number have reduced credit availability to limit exposure to customer payment risk. Payment terms are steady, averaging nearly 50 days from invoicing. Overdue payments currently affect 40% of B2B invoices, the primary causes being delays in customer payment processes and ongoing liquidity issues, creating a drag on cash flow. Bad debts average 5% of B2B invoices, representing a concern for financial stability.

There is little variation in DSO and inventory turnover is also steady, though more companies report stock build-ups than improved turnover, tying up liquidity. Supplier payments continue at a consistent pace for most companies. Trade credit and bank loans are the most common forms of finance. To mitigate payment risk 51% of companies rely on a mix of internal provisioning and outsourced credit insurance, while more than a quarter still rely solely on internal reserves. 61% of businesses expect insolvency levels to remain stable, and most foresee unchanged sales and profitability. Major concerns looking ahead are rising regulatory demands and environmental obligations.

Japan - Textile and clothing

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan – 2025



Japan - Textile and clothing

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

54%

Bank loans

53%

Trade credit

46%

Invoice financing

44%

Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

29%

Increase

61%

Remains as current

10%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

55%

Being responsive to market shifts

46%

Environmental concerns

44%

Increasing regulations

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Japan - 2025





Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer.

Sample overview – Total interviews = 240

Business sector	Interviews	%
Manufacturing	105	44
Wholesale trade	62	26
Retail trade/Distribution	60	25
Services	13	5
TOTAL	240	100
Business size	Interviews	%
SME: Small enterprises	39	16
SME: Medium enterprises	84	35
Medium Large enterprises	84	36
Large enterprises	30	13
TOTAL	240	100
Chemicals	80	33.3
Consumer durables	80	33.3
Textile and clothing	80	33.3
TOTAL	240	100

Survey scope

- Basic population: Companies from Japan were surveyed and the appropriate contacts for accounts receivable management were interviewed.
- Sample design: The Strategic Sampling Plan enabled us to perform an analysis of country data crossed by sector and company size.
- Selection process: Companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- Sample: N=240 people were interviewed in total. A quota was maintained according to four classes of company size.
- Interview: Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration.
- The survey was conducted during the second half of Q2 2025. Findings should therefore be viewed with this in mind.

This is part of the 2025 edition of the Atradius Payment Practices Barometer available at

<https://group.atradius.com/knowledge-and-research>



Interested in finding out more?

Please visit the [Atradius](#) website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers.

To find out more about B2B receivables collection practices in Japan and worldwide, please visit atradiuscollections.com.

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