



# JMTBA NOTES

NEWS RELEASE

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## The Current Condition of the Japanese Machine Tool Industry

### **Monthly Machine Tool Orders (August)**

The total value of machine tool orders in August fell 7.4% from July to 31.8 billion yen due in part to seasonal factors (fewer business days in summer time). As orders fell month-on-month for a second straight month, conditions remain weak with no clear signs of a recovery. This was also a 71.5% drop compared to the same month last year. Orders have fallen year-on-year for the 15th straight month, due largely to weakness in orders from the automobile and precision machinery industries.

Domestic orders fell 11.3% from July to 12.8 billion yen, dropping month-on-month for the first time in five months. This was a 72.5% drop from August of last year. Orders from primary metals sector doubled month-on-month, but orders from other major industries like general machinery and automobiles were down month-on-month. Domestic equipment investment trends remain still very weak.

Foreign orders fell 4.6% from July to 19.0 billion yen, a drop of 70.8% compared to August of last year. Orders from Europe (including Russia) dropped 86.1% year-on-year and worsened 11.8 points compared to July. Orders from the US for medical and aerospace equipment remained firm, but orders from the US automobile industry were still weak. Orders from China were down 52.2% year-on-year and 8.4 points lower compared to July. Total orders received from the Asian region (including China and India) exceeded 10 billion yen for the first time in 10 months, which was an improvement of about 12 points from July. However, overall orders are still being impacted by the stagnant US and European markets.

# Main Statistics of Metal Cutting Machine Tools

Value in Millions of Yen

Period	ORDERS								PRODUCTION				SALES		INVENTORY		EXPORTS		IMPORTS		EMPLOYEES	WHOLE-SALE
	Total	%	Domestic		Foreign		Sales	Order Backlog	Unites	Weight ton	Value	%	Unites	Value	Unites	Weight ton	Value	%	Value	%	No. of Persons	PRICE INDEX
	Value		Value	%	Value	%	Value	Value														
C.Y. 1990	1,412,123	111.2	1,038,791	111.5	373,332	110.5	1,323,494	612,728	196,131	459,814	1,303,442	114.4	196,966	1,336,812	9,723	25,170	455,809	106.4	68,645	135.9	36,849	100.0
1991	1,141,209	80.8	848,219	81.7	292,990	78.5	1,257,208	489,427	172,034	428,691	1,265,587	97.1	169,496	1,288,204	15,122	31,239	411,948	90.4	58,496	85.2	37,965	101.8
1992	710,221	62.2	474,561	55.9	235,660	80.4	826,975	354,933	116,649	283,840	831,087	65.7	118,591	850,528	14,408	28,126	330,291	80.2	41,027	70.1	38,265	101.2
1993	531,783	74.9	322,570	68.0	209,213	88.8	594,359	266,959	88,930	213,731	592,727	71.3	92,321	619,656	12,252	24,718	306,094	92.7	25,230	61.5	34,512	97.7
1994	573,083	107.8	315,493	97.8	257,590	123.1	562,809	273,172	88,109	215,620	554,080	93.5	89,860	575,984	11,016	20,842	328,786	107.4	25,226	100.0	29,340	96.2
1995	775,538	135.3	407,238	129.1	368,300	143.0	716,330	330,125	100,293	278,759	699,351	126.2	101,019	710,628	10,831	19,606	478,054	145.4	41,032	162.7	28,394	100.0
1996	938,194	121.0	509,777	125.2	428,417	116.3	866,418	400,399	106,813	316,732	837,453	119.7	108,124	850,630	10,378	21,546	591,653	123.8	64,384	156.9	27,678	98.4
1997	1,130,609	120.5	635,136	124.6	495,473	115.7	1,062,001	470,117	115,149	410,045	1,017,129	121.5	116,160	1,070,158	11,125	19,657	649,395	109.8	71,443	111.0	27,487	100.1
1998	989,200	87.5	457,214	72.0	531,986	107.4	1,093,216	381,690	96,805	397,333	1,010,541	99.4	96,649	1,060,603	11,296	24,964	657,055	101.2	65,843	92.2	29,187	99.3
1999	756,616	76.5	361,922	79.2	394,694	74.2	814,406	322,337	71,710	280,409	739,461	73.2	73,659	775,298	7,215	19,025	529,222	80.5	63,711	96.8	27,793	95.8
2000	975,046	128.9	521,686	144.1	453,360	114.9	887,942	402,721	90,916	313,842	814,636	110.2	91,797	816,123	7,004	17,697	620,056	117.2	85,572	134.3	24,962	100.0
2001	788,898	80.9	411,125	78.8	377,773	83.3	874,107	313,370	74,572	300,527	776,453	95.3	74,911	781,440	6,922	18,320	558,403	90.1	69,619	81.4	23,848	100.3
2002	675,837	85.7	350,322	85.2	325,515	86.2	670,714	308,372	55,807	227,217	585,098	75.4	58,144	594,957	4,483	16,083	484,668	86.8	50,904	73.1	22,545	98.8
2003	851,101	125.9	441,587	126.1	409,514	125.8	792,356	348,947	65,673	272,171	690,205	118.0	64,013	692,463	3,851	14,687	564,105	116.4	53,163	104.4	22,130	99.2
2004	1,236,192	145.2	672,839	152.4	563,353	137.6	1,025,726	555,840	79,500	361,935	878,082	127.2	76,091	879,589	4,092	17,384	683,066	121.1	88,245	166.0	22,141	101.6
2005	1,363,203	110.3	746,709	111.0	616,494	109.4	1,275,637	644,180	92,385	453,038	1,110,257	126.4	88,719	1,125,758	5,049	23,025	815,110	119.3	107,453	121.8	22,907	100.0
2006	1,436,970	105.4	733,009	98.2	703,961	114.2	1,407,258	684,266	100,171	492,096	1,211,230	109.1	94,383	1,232,261	6,963	26,930	921,456	113.0	135,649	126.2	23,503	101.1
2007	1,589,991	110.6	726,424	99.1	863,567	122.7	1,522,632	758,815	106,282	515,268	1,303,164	107.6	98,752	1,317,226	9,662	32,006	892,032	96.8	72,601	53.5	24,624	100.6
2008	1,301,147	81.8	566,820	78.0	734,327	85.0	1,472,029	574,383	95,310	492,188	1,249,184	95.9	88,319	1,267,372	11,436	31,685	874,723	98.1	60,226	83.0	25,323	101.5
F.Y. 2005	1,381,163	106.2	744,402	103.7	636,761	109.2	1,313,997	635,701	94,220	460,774	1,134,450	120.3	90,550	1,158,782	4,469	19,867	828,668	111.3	124,313	144.7	22,963	100.4
2006	1,474,586	106.8	731,587	98.3	742,999	116.7	1,445,906	669,628	102,774	507,592	1,245,167	109.8	95,855	1,263,909	7,349	26,684	915,736	110.5	119,670	96.3	23,753	101.1
2007	1,593,922	108.1	720,842	98.5	873,080	117.5	1,543,440	722,147	106,395	516,277	1,316,570	105.7	98,992	1,327,580	9,376	29,290	914,806	99.9	68,370	57.1	24,924	100.4
2008	969,042	60.8	411,396	57.1	557,646	63.9	1,275,929	407,075	77,454	424,633	1,080,999	82.1	72,338	1,100,794	10,563	28,901	743,929	81.3	53,151	77.7	25,266	101.8
2008 4-6	389,427	99.8	166,045	93.4	223,382	105.1	347,331	766,391	25,404	123,614	310,609	103.4	22,797	306,354	10,380	33,007	225,327	111.2	14,703	88.1	25,560	101.5
7-9	349,119	85.6	143,279	80.8	205,840	89.4	402,495	708,222	24,774	129,810	324,902	94.7	23,272	335,314	10,476	30,974	233,103	99.7	18,085	100.9	25,283	101.8
10-12	170,103	42.2	76,850	41.5	93,253	42.7	297,916	574,383	17,846	103,307	266,335	81.8	16,232	269,214	11,436	31,685	178,548	74.2	12,235	65.9	25,487	102.3
2009 1-3	60,393	15.4	25,222	14.0	35,171	16.6	228,187	407,075	9,430	67,902	179,153	51.6	10,037	189,912	10,563	28,901	106,950	45.0	8,128	53.5	24,732	101.8
4-6	87,716	22.5	38,968	23.5	48,748	21.8	115,881	372,252	4,999	34,774	95,554	30.8	5,386	105,083	10,020	25,366	67,767	30.1	7,907	53.8	24,726	101.7
2008 1	119,903	100.0	56,377	101.3	63,526	98.9	106,364	771,859	8,190	38,822	97,055	96.9	6,975	94,921	10,355	33,734	63,240	104.9	5,269	65.4	24,999	100.4
2	130,758	99.5	60,353	95.3	70,405	103.5	125,432	777,013	9,002	43,694	111,217	109.4	8,241	108,814	10,591	35,099	77,961	109.2	5,259	87.8	24,962	100.5
3	141,837	103.3	63,916	95.1	77,921	111.2	192,491	722,147	10,105	52,398	139,313	105.4	10,781	153,049	9,376	29,290	96,543	116.0	4,675	86.7	25,070	100.4
4	128,191	100.4	54,185	91.5	74,006	108.1	99,079	752,879	8,209	40,587	101,226	107.1	7,227	96,855	9,862	31,247	70,346	113.0	5,071	93.4	25,405	101.0
5	132,821	101.4	55,085	91.0	77,736	110.4	119,339	765,923	8,433	41,037	103,856	110.0	7,661	102,363	10,121	32,621	75,608	115.3	4,725	87.3	25,632	101.4
6	128,415	97.5	56,775	97.9	71,640	97.3	128,913	766,391	8,762	41,990	105,527	94.6	7,909	107,136	10,380	33,007	79,373	106.2	4,907	83.9	25,643	102.0
7	123,862	91.1	52,728	89.7	71,134	92.2	124,702	764,061	8,176	42,421	105,578	101.0	7,455	104,560	10,514	33,785	83,377	107.7	5,321	106.8	25,256	101.9
8	111,753	86.1	46,577	86.4	65,176	86.0	115,694	759,493	7,720	39,669	99,047	91.0	7,004	101,179	10,740	34,681	69,180	93.0	6,423	97.7	25,166	101.5
9	113,504	79.9	43,974	67.9	69,530	90.0	162,099	708,222	8,878	47,720	120,277	92.6	8,813	129,575	10,476	30,974	80,546	98.3	6,340	99.5	25,427	102.0
10	81,526	60.0	36,470	57.9	45,056	61.8	102,155	681,452	6,844	37,694	93,966	89.6	6,317	97,625	10,677	30,883	71,954	89.4	5,816	88.8	25,558	102.5
11	51,708	37.9	24,996	39.5	26,712	36.4	95,420	634,306	5,889	33,521	88,315	82.8	5,103	85,611	11,273	32,266	54,425	66.9	3,365	55.0	25,540	102.4
12	36,869	28.2	15,384	26.2	21,485	29.8	100,341	574,383	5,113	32,092	84,054	73.7	4,812	85,978	11,436	31,685	52,168	66.1	3,055	51.9	25,362	102.1
2009 1	19,037	15.9	9,186	16.3	9,851	15.5	65,576	526,523	3,504	24,257	62,002	63.9	3,245	59,782	11,481	33,482	30,608	48.4	3,385	64.3	24,921	101.9
2	20,417	15.6	8,330	13.8	12,087	17.2	70,649	477,739	3,031	19,658	50,988	45.9	2,926	53,618	11,525	33,073	34,234	43.9	1,751	33.3	24,688	101.8
3	20,939	14.8	7,706	12.1	13,233	17.0	91,962	407,075	2,895	23,987	66,163	47.5	3,866	76,512	10,563	28,901	42,108	43.6	2,991	64.0	24,588	101.6
4	25,184	19.6	12,190	22.5	12,994	17.6	39,033	393,027	2,066	12,526	32,873	32.5	2,019	37,489	10,540	27,142	25,377	36.1	2,651	52.3	24,389	102.4
5	27,564	20.8	12,323	22.4	15,241	19.6	39,318	374,984	1,403	12,159	33,854	32.6	1,613	35,903	10,300	26,628	21,505	28.4	2,457	52.0	25,285	102.0
6	34,968	27.2	14,455	25.5	20,513	28.6	37,530	372,252	1,530	10,089	28,827	27.3	1,754	31,691	10,020	25,366	20,885	26.3	2,799	57.0	24,504	100.8
7	34,346	27.7	14,429	27.4	19,917	28.0	37,026	369,541	1,760	10,257	29,029	27.5	1,774	28,683	9,914	25,247	21,156	25.4	2,261	42.5	24,174	100.3
8	31,795	28.5	12,793																			

NET NEW ORDERS—METAL CUTTING MACHINE TOOLS IN JAPAN

(Value in Millions of Yen)

Industry \ Period		Total 2008	08/07 (%)	09/01-09/03	09/04-09/06	Previous Quarter (%)	year-to-year (%)	09/01-09/08	09/08 (%)	Aug. '09	Aug. 09/Jul. 09 (%)	Aug. 09/Aug. 08 (%)
1.	Primary Metals	12,991	102.6	459	830	180.8	28.8	1,698	16.9	285	229.8	44.8
2.	Fabricated Metal Products	19,218	89.0	1,404	1,193	85.0	19.3	3,574	24.4	676	224.6	43.4
Machinery & Equipment Industries	3. Industrial Machinery	248,456	77.8	12,951	16,798	129.7	22.3	41,017	20.7	5,256	87.4	22.8
	(of which dies and molds)	39,059	68.6	1,907	3,211	168.4	27.0	7,221	24.0	1,046	99.0	35.1
	4. Motor Vehicles	161,336	75.7	2,895	9,108	314.6	18.5	19,291	14.5	2,973	68.9	24.4
	(of which auto parts)	82,139	89.1	461	3,386	734.5	12.3	7,631	11.2	2,085	122.7	35.0
	5. Electrical Machinery	33,058	71.3	2,180	2,647	121.4	33.1	7,995	34.3	1,582	99.7	74.4
	6. Precision Machinery	24,735	78.3	1,307	1,766	135.1	22.8	4,047	20.3	296	43.7	12.7
	5-6. Electrical & Precision Machinery (Sub Total)	57,793	74.2	3,487	4,413	126.6	28.0	12,042	27.8	1,878	83.0	42.2
	7. Aircraft, Shipbuilding & Transport equipment	30,798	103.4	1,438	4,012	279.0	50.3	6,782	31.5	731	121.6	34.2
	3-7 Machinery & Equipment Industries (Sub Total)	498,383	77.9	20,771	34,331	165.3	23.1	79,132	20.0	10,838	82.2	25.9
8.	Other Machinery & Equipment	21,099	60.6	619	1,303	210.5	26.8	2,842	18.2	540	142.1	42.4
9.	Government, Public Agencies & Schools	2,199	106.1	579	239	41.3	92.3	1,045	109.2	72	46.5	47.1
10.	Others	7,973	97.7	967	629	65.0	30.7	1,956	36.3	190	111.8	27.9
11.	Trading Companies	4,957	70.6	423	443	104.7	32.7	1,165	29.8	192	179.4	41.7
1-11.	Domestic Total	566,820	78.0	25,222	38,968	154.5	23.5	91,412	20.5	12,793	88.7	27.5
12.	Foreign	734,327	85.0	35,171	48,748	138.6	21.8	122,838	21.5	19,002	95.4	29.2
1-12.	Grand Total	1,301,147	81.8	60,393	87,716	145.2	22.5	214,250	21.1	31,795	92.6	28.5
	(of which: NC machines)	1,254,661	82.0	56,716	83,511	147.2	22.3	203,910	20.8	30,870	94.1	28.6
Sales		1,472,029	96.7	228,187	115,881	50.8	33.4	415,868	41.1	34,774	93.9	30.1
(of which: NC machines)		1,421,109	96.8	220,210	112,228	51.0	33.4	401,620	41.1	33,458	93.7	29.9
Order Backlog		574,383	75.7	407,075	372,252	91.4	48.6	366,313	48.2	366,313	99.1	48.2
(of which: NC machines)		544,655	75.4	380,269	346,199	91.0	47.5	340,611	47.0	340,611	99.3	47.0

Source: Japan Machine Tool Builders' Association

# NET NEW ORDERS BY DESTINATION

(Value in Millions of Yen)

		2009		Jan.		Feb.		Mar.		Apr.		May		Jun.		Jul.		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2009			
			%		%		%		%		%		%		%		%		%		%		%		%		%		%		
Asia	East Asia	Korea	370	14.0	362	15.6	376	18.8	512	16.1	277	5.8	1,356	45.2	1,908	39.4	1,668	78.5											6,829	27.4	
		Taiwan	-116	-	-71	-	121	8.9	674	38.9	473	31.3	566	49.8	554	28.8	439	35.3											2,640	26.7	
		China	2,442	24.5	3,081	24.7	2,530	18.6	5,304	38.8	5,005	42.6	5,583	40.9	4,366	38.8	6,664	47.2											34,975	34.8	
		Other	0	-	7	5.1	-46	-	6	2.8	18	22.5	17	5.4	22	4.9	46	18.6											70	3.4	
		East Asia Total	2,696	21.6	3,379	20.8	2,981	17.1	6,496	34.6	5,773	31.8	7,522	41.5	6,850	37.1	8,817	49.7											44,514	32.4	
	Other Asia	Thailand	29	1.8	147	5.2	-79	-	120	4.3	410	11.5	837	31.4	829	13.1	547	28.2												2,840	11.1
		Malaysia	-8	-	21	1.7	20	2.9	123	16.3	168	26.8	175	19.1	180	19.9	489	38.3											1,168	15.5	
		Singapore	96	13.8	57	7.7	-4	-	251	65.5	233	59.9	197	31.8	119	31.3	136	21.7											1,085	22.5	
		India	274	7.8	167	4.7	141	2.8	295	11.0	254	14.7	318	13.6	660	25.4	729	14.8											2,838	10.8	
		Other	232	19.0	512	27.6	301	22.6	349	35.4	205	16.3	588	31.8	402	21.9	984	57.4											3,573	29.6	
		Other Asia Total	623	7.7	904	8.9	379	3.2	1,138	15.0	1,270	16.8	2,115	25.2	2,190	18.2	2,885	27.5											11,504	15.1	
Sub Total		3,319	16.1	4,283	16.2	3,360	11.5	7,634	29.0	7,043	27.4	9,637	36.4	9,040	29.6	11,702	41.5											56,018	26.2		
Europe	E U	2,457	11.7	3,220	14.8	3,006	13.8	2,273	10.2	3,259	15.2	3,301	14.5	5,332	27.8	2,076	13.4												24,924	15.1	
	Germany	703	8.7	1,789	20.4	670	7.9	835	10.3	1,190	14.6	1,343	14.1	1,004	12.7	1,117	16.3												8,651	13.1	
	U. Kingdom	590	32.1	540	27.2	791	33.2	187	5.0	587	25.5	339	9.4	495	29.8	247	13.9												3,776	19.6	
	Italy	452	11.0	237	5.9	170	5.0	384	11.4	458	11.5	546	16.3	688	22.0	184	10.8												3,119	11.5	
	France	157	9.9	244	12.2	745	30.8	384	16.8	1,034	48.1	464	27.4	801	44.2	494	37.9												4,323	28.4	
	Central Europe	232	12.6	15	0.8	315	17.5	193	12.9	-268	-	275	15.0	146	7.3	3	0.1												911	6.1	
	Other West Europe	-264	-	309	21.5	190	7.7	208	8.4	383	17.7	37	1.8	134	7.4	233	25.5												1,230	7.8	
	Other East Europe	20	1000.0	-394	-	7	18.4	8	1.6	12	80.0	-65	-	85	144.1	-50	-												-377	-	
	Russia	82	11.7	141	16.1	314	29.7	41	3.9	68	3.1	20	3.5	77	9.2	86	17.0												829	10.6	
	Sub Total	2,295	9.6	3,276	13.5	3,517	13.9	2,530	9.6	3,722	14.4	3,293	12.9	5,628	25.7	2,345	13.9												26,606	14.0	
North America	USA	4,031	26.4	4,367	28.0	5,609	32.6	2,561	14.3	3,613	17.3	6,636	42.1	3,822	26.2	3,795	24.7												34,434	26.0	
	Canada	469	49.8	46	5.8	143	7.3	96	7.6	125	7.9	396	126.5	274	35.4	140	18.8												1,689	20.2	
	Mexico	-617	-	-5	-	90	5.4	49	28.5	50	3.1	223	21.9	67	13.5	311	36.0												168	2.6	
	Sub Total	3,883	23.9	4,408	26.1	5,842	28.1	2,706	14.0	3,788	15.7	7,255	42.5	4,163	26.2	4,246	25.0												36,291	24.6	
S.&C. America	Brazil	56	3.6	44	4.0	392	38.0	68	5.5	179	15.2	89	5.7	431	18.9	392	22.8												1,651	14.1	
	Other	6	3.1	9	10.0	2	2.7	2	2.1	26	13.7	-10	-	0	-	40	22.6												75	8.4	
	Sub Total	62	3.5	53	4.5	394	35.6	70	5.2	205	15.0	79	4.9	431	18.5	432	22.8												1,726	13.7	
Other	Australia	60	7.9	43	4.0	1	0.1	86	19.5	299	60.4	192	31.1	579	125.9	172	30.8												1,432	28.0	
	Other	232	171.9	24	4.1	119	16.8	-32	-	184	54.4	57	18.0	76	82.6	105	16.8												765	25.1	
	Sub Total	292	32.6	67	4.0	120	8.4	54	7.9	483	58.0	249	26.7	655	118.7	277	23.4												2,197	26.9	
Grand Total		9,851	15.5	12,087	17.2	13,233	17.0	12,994	17.6	15,241	19.6	20,513	28.6	19,917	28.0	19,002	29.2												122,838	21.5	
Of which:NC Machines		9,737	15.7	11,855	17.1	13,048	17.0	12,799	17.6	14,933	19.4	19,736	28.0	19,576	28.0	18,512	28.8													120,196	21.4

(Note) 1. The countries newly joined EU are included in "Central Europe" since May, 2004. 2. Oceania, Middle East and Africa are included in "Other" region.

Japan Machine Tool Builders' Association