

## The Current Condition of the Japanese Machine Tool Industry

### **Monthly Machine Tool Orders (March 2010)**

The total value of machine tool orders in April rose by 6.6% compared to the previous month to 80.8 billion yen, making April the third consecutive month of growth. This rise was largely due to an increase in orders from emerging countries. Moreover, April orders rose 3.2 times compared to the same month of the previous year, thus marking the fifth month-on-month increase. While foreign orders continued to show a growth trend that is supported by demand from emerging countries mainly China, domestic orders also showed signs of gradual recovery at a low level.

Domestic orders in April rose by 15.1% compared to the previous month to 22.2 billion yen, thus rising for the first time in two months. April also posted an 82.1% rise compared to the same month of the previous year, making it the fifth consecutive month of increase. Although major industries—including industrial machinery, motor vehicles, and electrical and precision machinery as well as aircraft, shipbuilding and transport equipment—showed month-on-month increases, willingness to engage in capital investment among domestic manufacturers still remains low, and therefore circumstances suggest that significant growth cannot be anticipated.

Foreign orders rose 3.7% from March to 58.6 billion yen, thus marking the third consecutive monthly increase. Orders also rose by 4.5 times compared to the same month of the previous year, making April the sixth consecutive month of increase. By region, orders from Asia accounted for more than 60% of all foreign orders. This was mainly because orders from China continued to be strong in industries related to electronic devices and motor vehicles, exceeding 20 billion yen for the second consecutive months. Orders from Europe posted a third consecutive month-on-month increase on the back of higher orders from Central Europe; however, such increase was not enough to declare that Europe is on the path to recovery. Orders from North America exceeded 10 billion yen for the second consecutive month, indicating that recovery is gaining momentum.

# 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	Value	%	Unites	Value	Unites	Weight	Value	%	Value	%	No. of	PRICE
	Value		Value		Value		Value	Value		ton						ton					Persons	INDEX
90年	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
91年	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
92年	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
93年	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
94年	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
95年	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
96年	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
97年	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
98年	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	28,354	99.3
99年	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
00年	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
01年	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
02年	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
03年	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
04年	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
05年	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
06年	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
07年	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
C.Y. 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
2009	411,809	31.6	159,648	28.2	252,161	34.3	596,920	382,592	29,608	181,494	492,063	39.4	30,036	516,746	9,567	22,682	321,399	36.7	28,717	47.7	24,396	100.2
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
2009	547,149	56.5	189,013	45.9	358,136	64.2	556,418	391,021	35,224	172,534	479,482	44.4	34,142	494,970	9,144	19,867	333,789	44.9	28,314	53.3	24,083	99.6
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	106,922	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	7,917	53.8	24,726	101.0
7-9	109,212	31.3	46,775	32.6	62,437	30.3	127,145	353,895	5,831	36,075	99,843	30.7	6,362	109,372	9,207	21,674	64,236	27.6	6,328	35.0	24,183	99.7
10-12	154,488	90.8	48,683	63.3	105,805	113.5	125,707	382,592	9,348	42,743	117,513	44.1	8,251	112,379	9,567	22,682	82,474	46.2	6,344	51.8	23,944	98.2
2010 1-3	195,733	324.1	54,587	216.4	141,146	401.3	187,685	391,021	15,046	58,942	166,572	93.0	14,143	168,136	9,144	19,867	119,312	111.6	7,724	95.0	23,478	99.6
2008 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	30,588	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	34,227	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	2,661	52.5	24,389	101.2
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	100.9
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	19,079	22.9	2,261	42.5	24,174	100.3
8	31,795	28.5	12,793	27.5	19,002	29.2	34,774	366,313	1,677	11,362	30,322	30.6	1,993	35,265	9,530	23,503	21,600	31.2	2,049	31.9	24,193	99.4
9	43,071	37.9	19,553	44.5	23,518	33.8	55,345	353,895	2,394	14,456	40,492	33.7	2,595	45,424	9,207	21,674	23,557	29.2	2,018	31.8	24,181	99.4
10	46,910	57.5	15,746	43.2	31,164	69.2	33,511	367,012	2,574	11,378	33,570	35.7	2,251	30,462	9,396	22,619	24,799	34.5	2,642	45.4	24,027	98.6
11	47,350	91.6	15,300	61.2	32,050	120.0	40,321	373,538	3,049	14,127	38,134	43.2	2,691	36,065	9,473	23,379	24,780	45.5	1,582	47.0	23,926	96.9
12	60,228	163.4	17,637	114.6	42,591	198.2	51,875	382,592	3,725	17,238	45,809	54.5	3,309	45,852	9,567	22,682	32,895	63.1	2,120	69.4	23,880	99.0
2010 1	55,095	289.4	15,773	171.7	39,322	399.2	41,286	395,618	3,999	14,746	42,953	69.3	3,261	38,839	9,893	23,120	27,105	88.6	2,973	87.8	23,654	98.9
2	64,797	317.4	19,529	234.4	45,268	374.5	54,272	405,982	4,96													

NET NEW ORDERS-METAL CUTTING MACHINE TOOLS IN JAPAN

(Value in Millions of Yen)

Industry \ Period		Total 2009	09/08 (%)	09/10-09/12	10/01-10/03	Previous Quarter (%)	year-to-year (%)	10/01-10/04	10/09 (%)	April '10	Apr. 10/Mar. 10 (%)	Apr. 10/Apr. 09 (%)
1.	Primary Metals	4,054	31.2	1,362	1,116	81.9	243.1	1,588	351.3	472	111.6	-
2.	Fabricated Metal Products	6,555	34.1	2,190	2,055	93.8	146.4	2,776	145.8	721	64.8	144.2
Machinery & Equipment Industries	3. Industrial Machinery	68,911	27.7	18,425	20,960	113.8	161.8	30,625	174.8	9,665	128.9	211.7
	(of which dies and molds)	11,628	29.8	2,955	3,455	116.9	181.2	4,544	139.7	1,089	74.5	81.0
	4. Motor Vehicles	33,862	21.0	10,939	16,354	149.5	564.9	22,291	383.3	5,937	111.3	203.3
	(of which auto parts)	16,974	20.7	7,382	11,319	153.3	2455.3	15,492	1772.5	4,173	119.5	1010.4
	5. Electrical Machinery	12,488	37.8	3,574	3,135	87.7	143.8	4,774	185.7	1,639	147.5	419.2
	6. Precision Machinery	7,666	31.0	2,661	4,127	155.1	315.8	5,643	286.2	1,516	96.1	228.0
	5-6. Electrical & Precision Machinery (Sub Total)	20,154	34.9	6,235	7,262	116.5	208.3	10,417	229.3	3,155	117.4	298.8
	7. Aircraft, Shipbuilding & Transport equipment	11,183	36.3	2,905	1,937	66.7	134.7	2,907	80.1	970	300.3	44.2
	3-7 Machinery & Equipment Industries (Sub Total)	134,110	26.9	38,504	46,513	120.8	223.9	66,240	210.2	19,727	124.5	183.8
8.	Other Machinery & Equipment	5,207	24.7	1,812	2,736	151.0	442.0	3,522	280.4	786	62.3	123.4
9.	Government, Public Agencies & Schools	4,698	213.6	3,413	715	20.9	123.5	792	123.0	77	59.2	118.5
10.	Others	3,471	43.5	1,126	1,057	93.9	109.3	1,377	123.9	320	87.2	222.2
11.	Trading Companies	1,553	31.3	276	395	143.1	93.4	492	91.3	97	65.1	83.6
1-11.	Domestic Total	159,648	28.2	48,683	54,587	112.1	216.4	76,787	205.2	22,200	115.1	182.1
12.	Foreign	252,161	34.3	105,805	141,146	133.4	401.3	199,771	414.8	58,625	103.7	451.2
1-12.	Grand Total	411,809	31.6	154,488	195,733	126.7	324.1	276,558	323.2	80,825	106.6	320.9
	(of which: NC machines)	392,559	31.3	147,113	186,790	127.0	329.3	264,581	327.8	77,791	107.2	324.3
Sales		596,920	40.6	125,707	187,685	149.3	82.3	244,226	91.4	56,541	61.4	144.9
	(of which: NC machines)	576,381	40.6	121,340	178,369	147.0	81.0	233,025	90.3	54,656	62.6	144.1
Order Backlog		382,592	66.6	382,592	391,021	102.2	96.1	415,848	105.8	415,848	106.3	105.8
	(of which: NC machines)	354,272	65.0	354,272	363,029	102.5	95.5	386,682	105.6	386,682	106.5	105.6

Source: Japan Machine Tool Builders' Association

