

## The Current Condition of the Japanese Machine Tool Industry

### **Monthly Machine Tool Orders (January 2012)**

The total value of machine tool orders in January was 97.4 billion yen. This was a decline of 16.0% compared to December and marked the first month of decline in three months. This figure also represented a decline of 6.9% compared to the same month of the previous year, with January posting the first year-on-year decrease in 26 months.

Total orders fell below 100 billion yen for the first time in five months due to a reactionary downturn triggered by a buildup of multiplying factors in the previous month (year-end effect, spot orders, etc.). Although there have been no significant changes in market conditions, both domestic and foreign orders have remained in a challenging situation since the second half of last year. Therefore, it is necessary to keep a close watch on potential impacts on economic conditions.

Domestic orders fell by 21.1% from December, amounting to 27.9 billion yen. This marked the second consecutive month of decline. Domestic orders fell by 11.8% from the same month of the previous year. This made January the first month of decline in 26 months.

Looking at major industries, orders compared to December fell by 16.5% in general machinery and by 22.8% in motor vehicles while rising by 0.3% in electrical and precision machinery and by 4.4% in aircraft, shipbuilding and transport equipment.

Foreign orders fell by 13.8% from December to 69.51 billion yen. This also marked a decline of 4.7% from the same month of the previous year and made January the first month of year-on-year decline in 27 months.

By region, orders from Asia decreased by 8.9% from the previous month to 42.59 billion yen. This was a decrease of 5.1% from the same month of the previous year and made January the first month of year-on-year decline in 4 months. Orders from Europe fell by 27.8% from December to 8.9 billion yen, a decline of 22.4% from the same month of the previous year. Orders from North America fell by 13.5% from December to 17.23 billion yen, but still increased by 13.5% over the same month of the previous year.



NET NEW ORDERS—METAL CUTTING MACHINE TOOLS IN JAPAN

(Value in Millions of Yen)

Industry \ Period		Total 2011	11/10 (%)	11/07-11/09	11/10-11/12	Previous Quarter (%)	year-to-year (%)	12/01-12/01	year-to-year (%)	Jan. '12	Jan. 12/Dec. 11 (%)	Jan. 12/Jan. 11 (%)
1.	Primary Metals	8,766	144.6	1,767	3,101	175.5	176.5	252	27.7	252	20.9	27.7
2.	Fabricated Metal Products	16,595	147.9	4,009	3,489	87.0	131.4	781	49.3	781	59.9	49.3
Machinery & Equipment Industries	3. Industrial Machinery	188,942	150.5	47,673	44,718	93.8	125.2	12,256	91.5	12,256	83.5	91.5
	(of which dies and molds)	21,803	133.3	6,200	5,800	93.5	146.1	1,439	102.7	1,439	67.2	102.7
	4. Motor Vehicles	122,256	136.8	33,335	32,479	97.4	128.0	8,328	83.0	8,328	77.2	83.0
	(of which auto parts)	83,748	140.2	22,995	23,010	100.1	126.1	5,789	82.9	5,789	75.3	82.9
	5. Electrical Machinery	23,613	122.8	5,787	4,983	86.1	97.7	1,815	128.4	1,815	100.2	128.4
	6. Precision Machinery	22,858	106.5	5,942	6,011	101.2	103.8	1,772	91.8	1,772	100.5	91.8
	5-6. Electrical & Precision Machinery (Sub Total)	46,471	114.2	11,729	10,994	93.7	100.9	3,587	107.3	3,587	100.3	107.3
	7. Aircraft, Shipbuilding & Transport equipment	13,662	97.2	3,719	3,050	82.0	49.9	1,289	155.3	1,289	104.4	155.3
3-7 Machinery & Equipment Industries (Sub Total)	371,331	137.7	96,456	91,241	94.6	116.8	25,460	92.2	25,460	84.1	92.2	
8.	Other Machinery & Equipment	13,969	133.2	3,833	3,494	91.2	170.4	532	60.7	532	48.9	60.7
9.	Government, Public Agencies & Schools	3,247	98.6	394	1,400	355.3	91.3	209	107.7	209	34.1	107.7
10.	Others	5,287	106.7	1,441	1,490	103.4	124.6	433	119.9	433	64.1	119.9
11.	Trading Companies	2,404	132.0	933	583	62.5	106.2	229	272.6	229	112.3	272.6
1-11.	Domestic Total	421,599	137.1	108,833	104,798	96.3	119.3	27,896	88.2	27,896	78.9	88.2
12.	Foreign	904,589	134.8	213,966	224,291	104.8	119.4	69,508	95.3	69,508	86.2	95.3
1-12.	Grand Total	1,326,188	135.5	322,799	329,089	101.9	119.4	97,404	93.1	97,404	84.0	93.1
	(of which: NC machines)	1,290,606	138.1	314,084	320,194	101.9	120.2	94,978	92.9	94,978	84.3	92.9

Sales	1,179,316	138.5	316,698	305,403	96.4	128.1	90,541	123.7	90,541	76.6	123.7
(of which: NC machines)	1,143,920	140.4	307,775	296,767	96.4	129.4	87,872	124.7	87,872	76.5	124.7
Order Backlog	653,138	128.5	629,457	653,138	103.8	128.5	660,008	122.2	660,008	101.1	122.2
(of which: NC machines)	623,263	130.2	599,838	623,263	103.9	130.2	630,378	123.3	630,378	101.1	123.3

# NET NEW ORDERS BY DESTINATION

(Value in Millions of Yen)

2012		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total		
															2012	%
Asia	East Asia	Korea	1,381	49.1											1,381	49.1
		Taiwan	1,818	150.1											1,818	150.1
		China	22,956	69.8											22,956	69.8
		Other	493	594.0											493	594.0
		East Asia Total	26,648	72.0											26,648	72.0
	Other Asia	Thailand	7,766	225.8											7,766	225.8
		Malaysia	400	92.0											400	92.0
		Singapore	1,576	374.3											1,576	374.3
		India	3,832	189.6											3,832	189.6
		Other	2,363	148.4											2,363	148.4
		Other Asia Total	15,937	201.5											15,937	201.5
	Sub Total		42,585	94.9											42,585	94.9
	Europe	E U	Germany	3,587	88.4										3,587	88.4
			U. Kingdom	1,292	89.0										1,292	89.0
Italy			506	45.5										506	45.5	
France			961	102.1										961	102.1	
Central Europe			202	22.4										202	22.4	
Other West Europe			794	78.9										794	78.9	
Other East Europe			178	147.1										178	147.1	
Russia		425	77.7										425	77.7		
Sub Total		8,936	77.6											8,936	77.6	
North America		USA	15,577	121.3											15,577	121.3
	Canada	980	158.3											980	158.3	
	Mexico	673	39.3											673	39.3	
	Sub Total		17,230	113.5											17,230	113.5
S. & C. America	Brazil	465	63.0											465	63.0	
	Other	3	2.7											3	2.7	
	Sub Total		468	55.1											468	55.1
Other	Australia	83	18.9											83	18.9	
	Other	206	228.9											206	228.9	
	Sub Total		289	54.7											289	54.7
Grand Total		69,508	95.3											69,508	95.3	
Of which: NC Machines		68,479	94.8											68,479	94.8	

(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