

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (June 2015)

The total value of machine tool orders in June was 136.11 billion yen. This was a decrease of 1.8% compared to May and marked the first month of decline in two months. However, this figure represented an increase of 6.6% compared to the same month of the previous year, with June posting the twenty-first consecutive month of year-on-year growth. The total amount of orders topped 130 billion yen for five consecutive months and it marked the record high amount in June. This has also passed 100 billion yen for twenty-second consecutive months, thus remained strong.

Both domestic and foreign demands are expected to be driven by a robust trend in the future. However, we will keep a close watch on the trend of North American market and special demand of electrical and precision machinery from Asia.

Domestic orders rose by 14.1% over May, amounting to 60.30 billion yen. This marked the two consecutive month of increase. Moreover, this figure was an increase of 41.4% over the same month of the previous year and marked the twenty-fourth consecutive month of year-on-year growth.

Looking at major industries, orders compared to May rose by 31.0% in industrial machinery, by 15.0% in motor vehicles, by 15.4% in electrical & precision machinery, and fell by 11.8% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 11.6% from May to 75.81 billion yen. This marked three consecutive months of decline. Foreign orders also showed a decrease of 10.8% from the same month of the previous year, with June posting the first month of decline in two months.

By region, orders from Asia fell by 25.1% from May to 35.49 billion yen. This was also a decrease of 16.9% from the same month of the previous year. Orders from Europe rose by 15.3% over May to 16.28 billion yen. This was also an increase of 0.6% over the same month of the previous year. Orders from North America fell by 3.5% from May, amounting to 22.23 billion yen. This figure was also a decrease of 4.8% from the same month of the previous year.



## NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2014	14/13 (%)	15/01–15/03	15/04–15/06	Previous Quarter (%)	year-to-year (%)	15/01–15/06	year-to-year (%)	June '15	June 15/May 15 (%)	June 15/June 14 (%)
1. Primary Metals		11,584	101.0	3,644	4,105	112.7	142.9	7,749	130.7	1,374	87.9	141.6
2. Fabricated Metal Products		23,280	127.4	6,719	8,891	132.3	188.7	15,610	157.5	3,153	72.8	166.2
Machinery & Equipment Industries	3. Industrial Machinery	199,946	122.7	52,434	62,599	119.4	139.0	115,033	131.9	25,910	131.0	154.5
	(of which construction machinery)	–	–	1,179	1,918	162.7	–	3,097	–	555	65.8	–
	(of which dies and molds )	26,589	103.3	6,908	9,036	130.8	157.8	15,944	135.3	3,742	125.5	177.9
	4. Motor Vehicles	167,660	135.7	47,685	56,618	118.7	135.8	104,303	133.0	18,932	115.0	118.6
	(of which auto parts)	117,474	142.8	35,284	42,116	119.4	144.4	77,400	144.2	13,343	102.9	117.0
	5. Electrical Machinery	27,412	137.4	6,117	7,870	128.7	149.4	13,987	131.6	3,170	115.7	143.5
	6. Precision Machinery	17,151	121.4	4,900	6,054	123.6	129.7	10,954	135.3	2,410	115.1	199.5
	5 – 6. Electrical & Precision Machinery (Sub Total)	44,563	130.8	11,017	13,924	126.4	140.1	24,941	133.2	5,580	115.4	163.3
	7. Aircraft, Shipbuilding & Transport equipment	20,558	91.2	7,962	7,692	96.6	202.3	15,654	186.9	2,532	88.2	159.2
	(of which aircraft)	–	–	3,157	3,917	124.1	–	7,074	–	1,136	83.4	–
3 – 7. Sub total		432,727	126.1	119,098	140,833	118.2	140.2	259,931	134.9	52,954	120.5	140.3
8. Other Machinery & Equipment		13,012	106.6	3,169	3,698	116.7	112.6	6,867	118.7	1,603	147.9	154.7
9. Government, Public Agencies & Schools		4,110	80.1	334	538	161.1	116.2	872	86.5	97	23.5	54.2
10. Others		6,400	115.1	2,081	2,324	111.7	177.7	4,405	154.0	785	67.7	161.2
11. Trading Companies		5,278	104.5	1,619	1,217	75.2	106.7	2,836	128.7	335	100.0	96.0
1–11. Domestic Total		496,391	123.8	136,664	161,606	118.3	141.5	298,270	135.3	60,301	114.1	141.4
12. Foreign		1,013,006	141.4	263,313	247,667	94.1	96.8	510,980	106.4	75,806	88.4	89.2
1–12. Grand Total		1,509,397	135.1	399,977	409,273	102.3	110.6	809,250	115.5	136,107	98.2	106.6
(of which: NC machines)		1,474,239	135.7	392,600	400,932	102.1	110.6	793,532	116.3	133,787	98.8	107.1
Sales		1,422,184	129.9	438,320	358,474	81.8	117.7	796,794	119.0	132,820	116.4	106.7
(of which: NC machines)		1,388,366	130.1	430,625	351,984	81.7	118.5	782,609	120.0	130,465	116.8	107.6
Order Backlog		652,213	115.2	613,854	665,037	108.3	111.6	665,037	111.6	665,037	100.5	111.6
(of which: NC machines)		624,303	115.8	586,281	636,175	108.5	111.9	636,175	111.9	636,175	100.5	111.9

## NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2015		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total			
					%		%		%		%		%		%		%		%		%		%		%	2015	%		
Asia	East Asia	Korea	3,609	138.5	3,542	109.9	4,075	173.8	3,849	93.3	3,706	94.8	4,141	138.4													22,922	119.4	
		Taiwan	2,887	189.3	2,554	163.4	3,371	176.4	2,987	211.8	2,262	109.8	2,724	142.2														16,785	161.6
		China	17,927	103.7	22,565	125.1	28,770	76.9	30,111	92.1	35,018	104.8	23,047	77.3														157,438	93.3
		Other	16	-	12	120.0	248	1127.3	205	135.8	16	-	-2	-														495	-
		East Asia Total	24,439	114.5	28,673	125.6	36,464	87.4	37,152	96.8	41,002	105.0	29,910	85.9														197,640	99.8
	Other Asia	Thailand	1,534	46.1	2,420	62.8	2,352	75.2	2,403	101.0	2,220	121.9	1,396	66.7														12,325	74.2
		Malaysia	1,333	650.2	567	196.9	333	53.5	220	48.5	488	134.1	941	220.4														3,882	164.4
		Singapore	141	42.9	377	68.1	683	71.1	338	53.5	94	18.0	237	51.6														1,870	54.1
		Philippine	294	-	552	-	325	-	355	-	164	-	280	-														1,970	-
		Indonesia	1,175	-	401	-	553	-	563	-	758	-	985	-														4,435	-
Vietnam		17,268	-	16,971	-	7,774	-	5,871	-	525	-	502	-														48,911	-	
India		1,603	92.0	1,788	130.8	2,232	114.4	1,731	129.3	2,086	144.3	1,196	50.0														10,636	103.9	
Other	5	-	17	-	-2	-	24	-	18	-	38	-														100	-		
Other Asia Total	23,353	347.4	23,093	285.1	14,250	179.1	11,505	165.8	6,353	118.5	5,575	70.5														84,129	195.7		
Sub Total	47,792	170.3	51,766	167.3	50,714	102.1	48,657	107.4	47,355	106.6	35,485	83.1															281,769	116.9	
Europe	EU	Germany	2,983	70.7	4,673	99.6	4,756	97.4	5,031	94.4	4,941	129.4	3,768	82.2														26,152	95.0
		U.K.	1,909	110.7	2,079	91.8	2,004	81.1	1,902	77.4	1,740	63.9	1,879	106.2														11,513	85.9
		Italy	1,890	133.9	2,035	88.9	2,036	120.8	1,960	101.1	1,585	76.3	2,051	102.8														11,557	101.4
		France	1,107	94.7	2,617	239.0	2,329	193.6	1,719	97.1	1,156	62.8	3,057	178.3														11,985	136.3
		Central Europe	1,261	111.0	1,731	167.4	1,098	83.2	1,391	85.9	1,220	52.2	1,682	118.3														8,383	94.6
		Other	1,799	-	1,818	-	1,659	-	1,290	-	1,240	-	1,773	-														9,579	-
		Sub Total	10,949	96.9	14,953	117.6	13,882	106.1	13,293	92.9	11,882	86.9	14,210	106.3														79,169	100.9
	Other West Europe	Turkey	1,848	114.5	1,552	91.3	1,259	86.3	1,376	83.9	970	53.5	1,270	84.2														8,275	85.0
		Switzerland	533	-	563	-	374	-	426	-	478	-	568	-														2,942	-
		East Europe	71	21.8	75	15.0	130	79.3	129	153.6	425	262.3	89	26.6													919	58.5	
		Russia - Other	664	107.1	412	91.6	822	163.1	681	84.6	836	92.2	706	73.8														4,121	97.1
		Sub Total	13,532	97.7	16,992	110.6	16,093	105.8	15,479	92.0	14,113	85.3	16,275	100.6														92,484	98.4
		Other East Europe	1,848	114.5	1,552	91.3	1,259	86.3	1,376	83.9	970	53.5	1,270	84.2														8,275	85.0
North America	U.S.A.	17,309	102.0	17,845	92.4	20,826	101.4	18,181	85.8	20,121	104.8	20,194	98.3														114,476	97.2	
	Canada	975	42.8	1,138	168.3	1,063	78.5	1,455	284.2	1,187	143.9	974	77.6														6,792	98.4	
	Mexico	2,275	67.3	657	84.4	1,607	71.2	1,315	87.4	1,727	242.6	1,062	68.6														8,643	84.9	
	Sub Total	20,559	90.8	19,640	94.6	23,496	97.3	20,951	90.3	23,035	111.1	22,230	95.2														129,911	96.4	
South & Central America	Brazil	68	7.4	208	57.3	368	50.0	357	62.6	328	16.8	581	34.2														1,910	30.6	
	Other	388	113.1	38	34.5	582	218.8	56	329.4	182	-	596	448.1														1,842	214.2	
	Sub Total	456	36.1	246	52.0	950	94.8	413	70.4	510	26.3	1,177	64.3													3,752	52.9		
Oceania	Australia	151	55.9	170	89.9	122	63.5	182	31.7	540	323.4	296	72.0														1,461	81.0	
	Other	-2	-	11	-	30	-	17	-	33	-	-2	-													87	-		
Sub Total	149	-	181	-	152	-	199	-	573	-	294	-														1,548	-		
Middle East	134	-	92	-	153	-	280	-	77	-	243	-														979	-		
Africa	4	-	0	-	212	-	177	-	42	-	102	-														537	-		
Grand Total	82,626	124.7	88,917	130.8	91,770	101.5	86,156	99.0	85,705	102.3	75,806	89.2														510,980	106.4		
Of which NC	82,165	125.3	87,631	130.2	90,681	105.2	85,361	98.9	84,995	102.9	74,832	88.9														505,665	107.1		

(Note) 1. "Other East Europe" until April 2014 is the division of before the integration of EU. The countries which joined EU from 04-07 is divided as "Central Europe".

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2. Middle East and Africa until July, 2014 are included in "Other" in Oceania.

3. It will be described as "-", if the actual value is "negative" or "0" or no actual value.