

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (December 2014)

The total value of machine tool orders in December was 144.25 billion yen. This was an increase of 3.7% compared to November and marked the two consecutive months of growth. This figure also represented an increase of 33.9% compared to the same month of the previous year, with December posting the fifteen consecutive month of year-on-year growth. The total amount of orders has topped 140 billion yen for the first time in 81 months and it was the highest record in the past which surpassed the record of 142 billion yen in September 2007.

Both domestic and foreign demands are expected to be driven by a recovery trend in the future. However, we will keep a close watch on the trend of domestic orders and spot orders of electrical and precision machinery from Asia.

Domestic orders fell by 1.9% from November, amounting to 48.15 billion yen. This marked the first month of decrease in two months. However, this figure was an increase of 31.1% over the same month of the previous year and marked the eighteenth consecutive month of year-on-year growth.

Looking at major industries, orders compared to November fell by 11.3% in industrial machinery, rose by 8.3% in motor vehicles, by 19.4% in electrical and precision machinery, and fell by 25.2% in aircraft, shipbuilding and transport equipment.

Foreign orders rose by 6.8% over November to 96.10 billion yen. This marked the seventh consecutive month-on-month increase. At the same time, foreign orders showed an increase of 35.3% over the same month of the previous year, with December posting the fourteenth consecutive month of year-on-year growth.

By region, orders from Asia rose by 6.4% over November to 49.25 billion yen. This was also an increase of 52.9% over the same month of the previous year. Orders from Europe fell by 0.7% from November to 17.55 billion yen. This was an increase of 20.8% over the same month of the previous year. Orders from North America rose by 11.6% over November, amounting to 27.80 billion yen. This figure also represented an increase of 23.7% over the same month of the previous year.

Total machine tool orders for 2014 totaled 1,509.40 billion yen, which was an increase of 35.1% over the previous year. As a result, calendar year 2014 posted the first year of year-on-year increase in three years. This figure marked the second highest amount next to 2007 which registered 1,590.00 billion yen.

Total domestic orders rose by 23.8% over the previous year to 496.39 billion yen, and total foreign orders also rose by 41.4% over the previous year to 1,013.01 billion yen. As a result, the share of foreign orders increased to 67.1%, an increase of 3.0% from the previous year.



# NET NEW ORDERS—METAL CUTTING MACHINE TOOLS IN JAPAN

(Value : in Millions of Yen)

Industry \ Period		Total 2013	13/12 (%)	14/07-14/09	14/10-14/12	Previous Quarter (%)	year-to-year (%)	14/01-14/12	year-to-year (%)	Dec. '14	Dec. 14/Nov. 14 (%)	Dec. 14/ Dec. 13 (%)
1.	Primary Metals	11,473	157.0	2,277	3,380	148.4	84.6	11,584	101.0	1,405	112.7	158.0
2.	Fabricated Metal Products	18,278	128.1	7,119	6,252	87.8	132.0	23,280	127.4	2,326	125.3	117.7
Machinery & Equipment Industries	3. Industrial Machinery	162,918	101.8	56,229	56,533	100.5	121.0	199,946	122.7	17,537	88.7	117.4
	(of which dies and molds)	25,747	117.6	7,312	7,495	102.5	93.2	26,589	103.3	1,977	71.9	84.4
	4. Motor Vehicles	123,560	106.0	42,048	47,164	112.2	125.2	167,660	135.7	17,271	108.3	148.8
	(of which auto parts)	82,252	112.7	29,823	33,986	114.0	121.8	117,474	142.8	12,343	116.4	151.1
	5. Electrical Machinery	19,948	99.6	8,407	8,376	99.6	147.5	27,412	137.4	3,172	135.6	160.7
	6. Precision Machinery	14,129	88.3	4,834	4,221	87.3	110.3	17,151	121.4	1,404	94.1	112.7
	5-6. Electrical & Precision Machinery (Sub Total)	34,077	94.5	13,241	12,597	95.1	132.5	44,563	130.8	4,576	119.4	142.1
	7. Aircraft, Shipbuilding & Transport equipment	22,548	118.8	4,994	7,187	143.9	114.5	20,558	91.2	2,377	74.8	140.1
3-7 Machinery & Equipment Industries (Sub Total)	343,103	103.5	116,512	123,481	106.0	123.3	432,727	126.1	41,761	97.7	132.8	
8.	Other Machinery & Equipment	12,201	118.3	3,555	3,674	103.3	111.4	13,012	106.6	1,262	89.6	132.6
9.	Government, Public Agencies & Schools	5,134	159.3	949	2,153	226.9	86.1	4,110	80.1	444	71.6	74.7
10.	Others	5,561	95.5	1,896	1,644	86.7	133.2	6,400	115.1	621	111.7	139.6
11.	Trading Companies	5,053	155.3	1,543	1,531	99.2	147.1	5,278	104.5	326	50.9	79.9
1-11.	Domestic Total	400,803	106.6	133,851	142,115	106.2	121.5	496,391	123.8	48,145	98.1	131.1
12.	Foreign	716,246	85.6	257,703	274,879	106.7	141.2	1,013,006	141.4	96,103	106.8	135.3
1-12.	Grand Total	1,117,049	92.1	391,554	416,994	106.5	133.8	1,509,397	135.1	144,248	103.7	133.9
	(of which: NC machines)	1,086,734	91.9	383,354	408,280	106.5	135.1	1,474,239	135.7	141,575	104.0	135.2

Sales	1,094,673	82.3	399,149	353,336	88.5	131.7	1,422,184	129.9	138,797	129.6	130.4
(of which: NC machines)	1,066,968	82.5	390,941	345,248	88.3	132.1	1,388,366	130.1	135,884	129.9	131.1
Order Backlog	566,113	104.1	588,102	652,213	110.9	115.2	652,213	115.2	652,213	100.8	115.2
(of which: NC machines)	539,129	103.8	560,805	624,303	111.3	115.8	624,303	115.8	624,303	100.9	115.8

