

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (January 2018)

The total value of machine tool orders in January was 154.39 billion yen. This was a decrease of 6.9% compared to December 2017 and marked the first month of month-on-month decline in three months. However, this figure represented an increase of 48.8% compared to the same month of the previous year and marked the fourteenth consecutive months of year-on-year growth.

The total amount of orders topped 150 billion yen for three consecutive months and marked a record high as an order for January. Although market conditions are generally continuing the favorable trend both domestic and overseas, we will keep a close watch on future trends such as various risks in overseas and prolonged delivery due to parts procurement difficulties.

Domestic orders fell by 12.3% from December, amounting to 55.61 billion yen. This marked the first month of month-on-month decline in two months. This figure was a growth of 47.3% over the same month of the previous year and marked the twelve consecutive months of year-on-year increase.

Looking at major industries, orders compared to December fell by 17.4% in industrial machinery, by 6.7% in motor vehicles, by 12.8% in electrical & precision machinery, and rose by 37.7% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 3.6% from December to 98.78 billion yen, and marked the two consecutive month of month-on-month decline. However, foreign orders showed an increase of 49.7% from the same month of the previous year, and this marked the fourteen consecutive months of year-on-year growth.

By region, orders from Asia fell by 2.4% from December to 51.67 billion yen. However, this was an increase of 58.0% over the same month of the previous year. Orders from Europe rose by 2.1% over December to 21.58 billion yen. This was also an increase of 48.6% over the same month of the previous year. Orders from North America fell by 10.7% from December, amounting to 23.48 billion yen. This figure was an increase of 39.6% over the same month of the previous year.

# 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		
C.Y.	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	
	2009	411,809	31.6	159,648	28.2	252,161	34.3	596,920	382,592	28,281	180,025	486,283	38.9	29,894	514,793	9,547	22,656	321,399	36.7	28,717	47.7	24,542	100.2	
	2010	978,622	237.6	307,527	192.6	671,095	266.1	851,272	508,446	67,607	302,376	813,002	167.2	67,954	820,517	10,464	24,489	608,551	189.3	30,579	106.5	23,380	100.0	
	2011	1,326,188	135.5	421,599	137.1	904,589	134.8	1,179,316	653,138	85,483	432,693	1,149,394	141.4	87,452	1,170,069	10,437	28,720	855,195	140.5	43,442	142.1	24,348	102.5	
	2012	1,212,445	91.4	375,822	89.1	836,623	92.5	1,329,650	543,736	93,649	429,207	1,151,980	100.2	95,824	1,173,114	9,894	34,483	945,594	110.6	51,080	117.6	25,524	102.7	
	2013	1,117,049	92.1	400,803	106.6	716,246	85.6	1,094,673	566,113	56,780	320,904	886,372	76.9	62,518	911,286	7,890	31,779	766,495	81.1	63,016	123.4	24,716	101.2	
	2014	1,509,397	135.1	496,391	123.8	1,013,006	141.4	1,422,184	652,213	99,407	454,866	1,186,293	133.8	102,231	1,221,172	9,924	34,308	961,862	125.5	78,087	123.9	25,188	104.0	
	2015	1,480,592	98.1	586,240	118.1	894,352	88.3	1,532,603	607,499	102,101	489,253	1,258,087	106.1	105,147	1,310,282	11,274	38,620	932,123	96.9	91,580	117.3	25,826	100.0	
	2016	1,250,003	84.4	530,545	90.5	719,458	80.4	1,280,584	522,527	67,991	374,124	1,012,810	80.5	73,443	1,058,471	9,321	35,371	666,519	71.5	78,249	85.4	26,252	100.5	
	2017	1,645,554	131.6	629,369	118.6	1,016,185	141.2	1,467,285	694,231	88,635	426,718	1,129,545	111.5	92,163	1,181,344	9,936	33,486	786,217	118.0	72,269	92.4	26,160	99.3	
F.Y.	2012	1,139,843	86.9	362,870	86.6	776,973	87.1	1,273,978	476,008	84,944	395,437	1,072,866	91.0	88,477	1,106,765	7,218	27,839	896,302	98.7	50,467	109.9	25,501	101.9	
	2013	1,204,852	105.7	422,029	116.3	782,823	100.8	1,149,078	529,922	61,311	344,586	936,303	87.3	65,329	958,064	7,938	27,937	771,524	86.1	72,839	144.3	24,650	101.2	
	2014	1,578,546	131.0	526,876	124.8	1,051,670	134.3	1,495,341	613,854	110,375	485,288	1,260,233	134.6	113,378	1,300,885	9,758	32,083	1,025,252	132.9	78,930	108.4	25,347	105.2	
	2015	1,398,968	88.6	579,295	109.9	819,673	77.9	1,471,868	548,277	90,060	453,903	1,185,130	94.0	94,378	1,233,552	9,761	34,724	844,991	82.4	87,710	111.1	26,036	100.4	
	2016	1,289,310	92.2	531,575	91.8	757,735	92.4	1,251,224	531,962	67,037	366,238	988,568	83.4	70,947	1,027,976	9,212	32,928	649,014	76.8	75,937	86.6	26,196	100.2	
	2015	1-3	399,977	120.9	136,664	128.7	263,313	117.2	438,320	163,854	30,789	139,700	361,897	125.7	32,095	387,954	9,758	32,083	269,814	130.7	24,078	103.6	25,411	98.9
		4-6	409,273	110.6	161,606	141.5	247,667	96.8	358,474	665,037	29,234	122,618	307,664	111.7	30,479	311,380	9,582	35,663	253,302	108.2	22,009	120.9	25,874	99.3
		7-9	346,692	88.5	155,456	116.1	191,236	74.2	374,540	641,420	22,017	117,800	300,099	93.2	22,740	308,293	9,933	38,809	221,571	80.5	22,934	130.2	25,925	101.1
		10-12	324,650	77.9	132,514	93.2	192,136	69.9	361,269	607,499	20,061	109,135	288,427	95.8	19,833	302,655	11,274	38,620	187,436	76.2	22,558	118.6	26,096	100.7
	2016	1-3	318,353	79.6	129,719	94.9	188,634	71.6	377,585	548,277	18,748	104,350	288,940	79.8	21,326	311,224	9,761	34,724	182,682	67.7	20,208	83.9	26,250	100.4
		4-6	312,653	76.4	128,589	79.6	184,064	74.3	276,287	586,107	17,078	87,540	232,375	75.5	17,454	230,929	10,207	38,629	164,216	64.8	18,240	82.9	26,420	100.5
		7-9	305,303	88.1	139,942	90.0	165,361	86.5	312,748	578,484	15,940	90,376	245,412	81.8	17,284	256,945	9,577	37,195	168,544	76.1	17,203	75.0	26,272	100.9
		10-12	313,694	96.6	132,295	99.8	181,399	94.4	313,964	522,527	16,225	91,858	246,083	85.3	17,379	259,373	9,321	35,371	151,077	80.6	22,598	100.2	26,066	100.2
	2017	1-3	357,660	112.3	130,749	100.8	226,911	120.3	348,225	531,962	17,794	96,464	264,698	91.6	18,830	280,729	9,212	32,928	165,177	90.4	17,896	88.6	26,024	99.1
		4-6	406,555	130.0	156,212	121.5	250,343	136.0	317,028	620,525	22,265	101,705	265,447	114.2	22,573	268,822	9,920	35,641	188,698	114.9	16,072	88.1	26,255	99.1
		7-9	416,280	136.3	168,011	120.1	248,269	150.1	416,029	628,824	24,416	113,135	298,176	121.5	25,917	318,685	9,514	32,072	211,049	125.2	19,215	111.7	26,194	99.7
		10-12	465,059	148.3	174,397	131.8	290,662	160.2	394,003	694,231	24,160	115,414	301,224	122.4	24,843	313,108	9,936	33,486	221,293	146.5	19,086	84.5	26,169	99.3
	2016	8	98,058	91.6	43,119	90.3	54,939	92.6	88,598	602,651	5,266	28,719	75,565	81.2	5,179	74,333	9,971	39,882	48,346	72.7	5,852	74.7	26,248	101.3
		9	102,851	93.7	45,521	95.1	57,330	92.7	126,961	578,484	5,550	34,374	93,352	89.1	6,298	102,915	9,577	37,195	57,532	83.1	6,613	85.9	26,238	100.0
		10	93,884	91.1	41,355	93.0	52,529	89.6	91,766	580,939	5,115	28,801	75,210	83.4	5,334	78,333	9,629	37,810	48,200	70.0	6,912	84.5	26,103	100.1
		11	107,931	94.4	44,964	98.9	62,967	91.4	107,188	581,834	5,788	31,713	85,020	89.2	5,491	87,117	10,246	37,704	45,861	83.0	7,944	97.6	26,072	100.0
		12	111,879	104.4	45,976	108.0	65,903	102.0	115,010	522,527	5,322	31,344	85,853	83.4	6,554	93,923	9,321	35,371	57,016	90.0	7,742	124.2	26,023	100.6
	2017	1	103,744	103.5	37,750	95.4	65,994	108.7	88,075	538,196	4,700	26,254	70,242	85.5	4,815	70,100	9,484	36,638	39,202	84.6	5,800	82.7	25,994	99.5
		2	111,218	109.1	40,539	104.2	70,679	112.1	99,316	550,098	5,529	29,631	78,142	88.2	5,308	78,637	9,960	37,818	50,989	86.7	5,061	77.0	25,989	99.2
		3	142,698	122.8	52,460																			

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

(Value: in Millions of Yen)

Industry \ Period		Total 2017	17/16 (%)	17/07-17/09	17/10-17/12	Previous Quarter (%)	year-to-year (%)	18/01-18/01	year-to-year (%)	Jan. '18	Jan. 18/Dec. 17 (%)	Jan. 18/Jan. 17 (%)
1. Primary Metals		17,778	97.9	3,999	4,985	124.7	103.4	1,538	133.3	1,538	78.1	133.3
2. Fabricated Metal Products		26,539	116.4	7,879	6,901	87.6	141.1	1,984	153.3	1,984	58.5	153.3
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	69,196	74,932	108.3	153.3	22,511	166.0	22,511	82.6	166.0
	(of which construction machinery)	7,510	138.2	2,321	2,234	96.3	188.5	1,000	390.6	1,000	136.4	390.6
	(of which dies and molds )	27,574	89.6	7,001	6,922	98.9	101.4	1,951	126.2	1,951	95.5	126.2
	4. Motor Vehicles	201,119	115.0	55,561	53,976	97.1	111.4	17,182	127.5	17,182	93.3	127.5
	(of which auto parts)	139,936	120.6	36,109	38,169	105.7	124.0	12,934	137.6	12,934	97.9	137.6
	5. Electrical Machinery	37,082	141.1	9,304	11,536	124.0	150.7	3,440	155.0	3,440	80.3	155.0
	6. Precision Machinery	25,267	128.9	6,282	6,251	99.5	124.8	2,301	142.7	2,301	100.1	142.7
	5-6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	15,586	17,787	114.1	140.5	5,741	149.9	5,741	87.2	149.9
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	6,543	5,356	81.9	102.0	3,421	204.6	3,421	137.7	204.6
	(of which aircraft)	11,610	70.7	3,509	2,288	65.2	93.9	2,285	237.3	2,285	218.9	237.3
3-7. Sub total		546,452	119.3	146,886	152,051	103.5	131.9	48,855	150.1	48,855	89.2	150.1
8. Other Machinery & Equipment		16,396	133.4	3,993	4,159	104.2	170.1	1,500	139.8	1,500	100.5	139.8
9. Government, Public Agencies & Schools		3,083	111.6	697	1,682	241.3	118.7	156	52.2	156	34.4	52.2
10. Others		11,019	115.7	2,689	2,756	102.5	132.8	832	88.8	832	97.4	88.8
11. Trading Companies		8,102	114.4	1,868	1,863	99.7	133.4	743	163.3	743	157.7	163.3
1-11. Domestic Total		629,369	118.6	168,011	174,397	103.8	131.8	55,608	147.3	55,608	87.7	147.3
12. Foreign		1,016,185	141.2	248,269	290,662	117.1	160.2	98,783	149.7	98,783	96.4	149.7
1-12. Grand Total		1,645,554	131.6	416,280	465,059	111.7	148.3	154,391	148.8	154,391	93.1	148.8
(of which: NC machines)		1,616,216	131.9	409,032	456,594	111.6	148.7	151,974	149.4	151,974	93.2	149.4
Sales		1,467,285	114.6	408,029	394,003	96.6	125.5	116,759	132.6	116,759	75.1	132.6
(of which: NC machines)		1,442,889	115.0	401,510	387,852	96.6	125.6	115,077	132.8	115,077	75.2	132.8
Order Backlog		694,231	132.9	628,824	694,231	110.4	132.9	731,862	136.0	731,862	105.4	136.0
(of which: NC machines)		670,808	132.8	608,853	670,808	110.2	132.8	707,704	136.0	707,704	105.5	136.0

## NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2018		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2018					
					%		%		%		%		%		%		%		%		%		%		%		%				
Asia	East Asia	Korea	3,745	111.9																							3,745	111.9			
		Taiwan	2,909	96.8																								2,909	96.8		
		China	34,844	168.4																									34,844	168.4	
		Other	-1	-																									-1	-	
		East Asia Total	41,497	153.6																									41,497	153.6	
	Other Asia	Thailand	2,639	177.2																									2,639	177.2	
		Malaysia	781	302.7																									781	302.7	
		Singapore	1,049	253.4																									1,049	253.4	
		Philippine	266	161.2																									266	161.2	
		Indonesia	532	86.4																									532	86.4	
Vietnam		1,042	111.2																									1,042	111.2		
India		3,802	210.6																									3,802	210.6		
Other	64	6400.0																									64	6400.0			
Other Asia Total	10,175	179.0																										10,175	179.0		
Sub Total	51,672	158.0																										51,672	158.0		
Europe	EU	Germany	4,461	177.4																									4,461	177.4	
		U.K.	1,926	105.0																									1,926	105.0	
		Italy	3,247	131.6																										3,247	131.6
		France	2,849	207.8																										2,849	207.8
		Central Europe	3,072	186.6																										3,072	186.6
		Other	3,369	115.3																										3,369	115.3
		Sub Total	18,924	148.3																										18,924	148.3
	Other West Europe	Turkey	863	137.0																										863	137.0
		Switzerland	904	178.0																										904	178.0
		East Europe	56	47.1																										56	47.1
		Russia - Other	646	142.6																										646	142.6
		Sub Total	21,579	148.6																										21,579	148.6
		North America	U.S.A.	21,297	146.1																										21,297
Canada	1,144		162.0																										1,144	162.0	
Mexico	1,039		67.8																										1,039	67.8	
Sub Total	23,480		139.6																										23,480	139.6	
South & Central America	Brazil	801	88.1																										801	88.1	
	Other	385	663.8																										385	663.8	
	Sub Total	1,186	122.6																										1,186	122.6	
Oceania	Australia	411	103.3																										411	103.3	
	Other	63	315.0																										63	315.0	
Sub Total	474	113.4																											474	113.4	
Middle East	293	55.4																											293	55.4	
Africa	99	220.0																											99	220.0	
Grand Total	98,783	149.7																										98,783	149.7		
Of which NC	97,344	148.8																											97,344	148.8	

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

Japan Machine Tool Builders' Association