

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (May 2017)

The total value of machine tool orders in May was 129.89 billion yen. This was a decrease of 2.9% compared to April 2017 and marked the two consecutive month of month-on-month decline. However, this figure represented an increase of 24.5% compared to the same month of the previous year and marked the six consecutive months of year-on-year growth.

The total amount of orders topped 120 billion yen for three consecutive months and topped 100 billion yen for seven consecutive months.

Although market conditions are showing signs of recovery both domestic and overseas, we will keep a close watch on future trends such as continuity of overseas market recovery and foreign exchange trends.

Domestic orders rose by 1.2% over April, amounting to 51.06 billion yen. This marked the first month of month-on-month growth in two months. Moreover, this figure was a growth of 31.4% over the same month of the previous year and marked the four consecutive month of year-on-year increase.

Looking at major industries, orders compared to April rose by 1.9% in industrial machinery, fell by 17.7% in motor vehicles, rose by 28.3% in electrical & precision machinery, and by 29.1% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 5.3% from April to 78.83 billion yen. This marked two consecutive month of month-on-month decline. However, foreign orders showed an increase of 20.3% from the same month of the previous year, this marked the six consecutive months of year-on-year growth.

By region, orders from Asia fell by 14.6% from April to 39.47 billion yen. This was an increase of 49.0% over the same month of the previous year. Orders from Europe rose by 8.9% over April to 17.01 billion yen. Moreover, this was an increase of 6.8% over the same month of the previous year. Orders from North America rose by 0.3% over April, amounting to 20.74 billion yen. This figure was a decrease of 7.0% 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 2016	16/15 (%)	16/10-16/12	17/01-17/03	Previous Quarter (%)	year-to-year (%)	17/01-17/05	year-to-year (%)	May ' 17	May 17/Apr. 17 (%)	May 17/May 16 (%)
1. Primary Metals		18,154	98.0	4,823	3,982	82.6	92.2	7,206	102.0	1,840	132.9	131.7
2. Fabricated Metal Products		22,804	79.8	4,890	5,140	105.1	112.2	9,868	132.4	2,581	120.2	170.1
Machinery & Equipment Industries	3. Industrial Machinery	207,113	93.4	48,886	51,096	104.5	106.4	91,693	116.0	20,488	101.9	129.8
	(of which construction machinery)	5,433	93.1	1,185	956	80.7	67.8	2,129	78.5	759	183.3	106.5
	(of which dies and molds )	30,778	95.6	6,825	6,333	92.8	77.4	10,728	83.0	2,091	90.8	92.7
	4. Motor Vehicles	174,853	85.7	48,444	42,542	87.8	96.8	75,155	108.6	14,728	82.3	125.3
	(of which auto parts)	115,986	80.7	30,791	30,883	100.3	105.1	54,294	116.9	10,970	88.2	123.3
	5. Electrical Machinery	26,282	97.6	7,656	6,912	90.3	100.1	13,581	138.3	3,713	125.6	220.1
	6. Precision Machinery	19,600	92.8	5,008	5,466	109.1	121.4	9,927	136.0	2,542	132.5	191.8
	5 – 6. Electrical & Precision Machinery (Sub Total)	45,882	95.5	12,664	12,378	97.7	108.5	23,508	137.3	6,255	128.3	207.7
	7. Aircraft, Shipbuilding & Transport equipment	30,076	96.6	5,253	5,861	111.6	60.5	9,382	66.4	1,984	129.1	86.9
	(of which aircraft)	16,412	100.9	2,436	3,465	142.2	67.1	4,877	60.1	948	204.3	58.6
3 – 7. Sub total		457,924	90.7	115,247	111,877	97.1	98.9	199,738	111.3	43,455	97.9	132.4
8. Other Machinery & Equipment		12,292	84.8	2,445	3,765	154.0	132.7	6,639	123.8	1,564	119.4	114.3
9. Government, Public Agencies & Schools		2,762	81.5	1,417	481	33.9	131.8	600	131.6	83	230.6	267.7
10. Others		9,524	98.0	2,076	2,852	137.4	134.1	4,497	122.0	1,010	159.1	126.3
11. Trading Companies		7,085	107.4	1,397	2,652	189.8	110.0	3,719	92.8	526	97.2	57.3
1-11. Domestic Total		530,545	90.5	132,295	130,749	98.8	100.8	232,267	111.9	51,059	101.2	131.4
12. Foreign		719,458	80.4	181,399	226,911	125.1	120.3	388,981	123.7	78,828	94.7	120.3
1-12. Grand Total		1,250,003	84.4	313,694	357,660	114.0	112.3	621,248	119.0	129,887	97.1	124.5
(of which: NC machines)		1,225,768	84.5	306,957	351,008	114.4	111.9	610,376	118.8	127,740	97.0	124.4
Sales		1,280,584	83.6	313,964	348,225	110.9	92.2	540,930	99.4	102,291	113.1	117.7
(of which: NC machines)		1,254,652	83.5	308,750	341,625	110.6	92.6	531,025	99.9	100,694	113.5	118.4
Order Backlog		522,527	86.0	522,527	531,962	101.8	97.0	601,881	102.5	601,881	104.8	102.5
(of which: NC machines)		505,184	87.3	505,184	514,567	101.9	98.2	583,571	103.7	583,571	104.9	103.7

## NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2017		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total			
			%		%		%		%		%		%		%		%		%		%		%		%	2017	%		
Asia	East Asia	Korea	3,348	92.3	2,928	108.0	3,353	97.4	3,163	109.8	2,434	75.2															15,226	95.7	
		Taiwan	3,004	164.1	1,306	71.4	2,021	102.3	2,577	137.4	2,043	175.4															10,951	126.2	
		China	20,695	143.3	23,736	155.5	36,695	270.8	31,177	240.5	27,290	163.9															139,593	191.6	
		Other	-30	-	0	-	14	66.7	14	35.9	3	300.0															1	1.6	
		East Asia Total	27,017	135.8	27,970	141.2	42,083	221.6	36,931	207.9	31,770	150.9															165,771	170.0	
	Other Asia	Thailand	1,489	166.6	1,535	111.3	2,379	121.5	1,451	89.6	2,503	165.2															9,357	127.0	
		Malaysia	258	81.1	366	113.3	1,002	439.5	284	81.1	743	157.4															2,653	156.9	
		Singapore	414	285.5	530	232.5	663	285.8	389	128.0	602	154.0															2,598	199.8	
		Philippine	165	166.7	189	72.7	242	120.4	241	207.8	321	121.1															1,158	123.1	
		Indonesia	616	66.2	407	107.4	686	91.0	612	105.3	374	59.9															2,695	82.5	
Vietnam		937	129.1	790	145.0	1,075	99.1	800	184.8	666	187.6															4,268	135.8		
India		1,805	92.2	1,683	67.1	2,312	124.0	5,433	317.5	2,483	139.8															13,716	139.7		
Other	1	2.9	2	2.1	2	3.8	50	61.7	8	32.0															63	22.0			
Other Asia Total	5,685	111.4	5,502	96.2	8,361	131.2	9,260	178.2	7,700	142.0															36,508	131.3			
Sub Total	32,702	130.8	33,472	131.1	50,444	198.9	46,191	201.2	39,470	149.0																202,279	161.4		
Europe	U	E	Germany	2,515	61.2	4,164	108.4	4,287	113.9	3,196	67.6	4,179	93.0													18,341	87.6		
			U.K.	1,835	115.0	1,831	76.5	1,592	89.0	1,735	65.1	1,269	81.6														8,262	82.6	
			Italy	2,468	109.4	2,617	142.4	2,328	96.5	2,339	152.5	3,580	165.9														13,332	130.7	
			France	1,371	166.6	1,344	77.8	1,914	93.5	2,324	131.2	1,625	122.6															8,578	111.5
			Central Europe	1,646	137.2	1,586	69.6	1,259	86.6	1,403	147.1	1,423	67.2															7,317	91.4
			Other	2,923	135.1	2,343	117.7	2,752	106.3	2,223	98.4	3,038	125.4															13,279	116.2
			Sub Total	12,758	105.0	13,885	98.7	14,132	100.5	13,220	95.0	15,114	107.4															69,109	101.3
	Other West Europe	Turkey	630	116.5	193	55.3	290	26.6	1,352	193.1	614	96.2															3,079	92.7	
		Switzerland	508	85.7	566	94.5	618	203.3	647	194.3	627	109.2															2,966	123.4	
		East Europe	119	111.2	44	293.3	209	302.9	49	67.1	220	2200.0															641	233.9	
		Russia - Other	453	98.3	706	47.5	193	55.0	320	40.3	307	49.0															1,979	53.2	
		Sub Total	14,519	102.5	15,394	91.7	15,554	97.8	15,626	98.5	17,010	106.8															78,103	99.3	
		North America & Oceania	North America	U.S.A.	14,575	88.0	18,047	102.9	20,275	101.3	18,527	109.2	18,115	105.7														89,539	101.5
Canada	706			91.7	1,131	106.6	856	73.4	754	93.3	1,429	267.6														4,876	112.4		
Mexico	1,533			48.3	1,583	111.8	1,249	71.8	1,401	45.1	1,195	25.8														6,961	49.5		
Sub Total	16,814			82.0	20,761	103.8	22,380	97.6	20,682	99.0	20,739	93.0															101,376	95.1	
South America	Brazil	909	483.5	507	641.8	556	441.3	246	523.4	266	121.5															2,484	376.9		
	Other	58	62.4	14	19.4	129	586.4	151	218.8	59	61.5															411	116.8		
	Sub Total	967	344.1	521	345.0	685	462.8	397	342.2	325	103.2															2,895	286.4		
Oceania	Australia	398	153.7	258	86.0	513	155.0	203	75.2	524	204.7															1,896	133.9		
	Other	20	57.1	0	-	17	89.5	0	-	201	2512.5															238	140.0		
Sub Total	418	142.2	258	63.2	530	151.4	203	75.2	725	274.6																2,134	134.6		
Middle East	529	146.5	200	181.8	551	744.6	89	44.9	524	361.4																1,893	213.2		
Africa	45	60.8	73	187.2	94	62.3	54	-	35	57.4																301	98.0		
Grand Total	65,994	108.7	70,679	112.1	90,238	139.0	83,242	138.1	78,828	120.3																388,981	123.7		
Of which NC	65,441	106.3	70,086	113.1	88,952	138.4	82,724	138.3	78,282	120.3																385,485	123.3		

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

Japan Machine Tool Builders' Association