

## Preface

The Lehman shock that had occurred in September 2008 continued to have serious effects on the machine industry in Japan in 2009, and almost all the sectors of Japan's machine industry had to record unprecedented declines in production and profit. In particular, the industrial machine sector, heavily dependent on the automobile industry, was affected not only by the slower growth of domestic demand but also by a substantial decrease in export to North America and was faced with the need to change its strategies for the global market.

However, there have been certain signs of the birth of new markets as a result of the efforts to solve a trilemma of problems of the environment, resources and energy. For example, in Japan, there have been some encouraging factors for the country's machine industry, such as the sales of hybrid cars and the positive entry of automobile manufacturers into hybrid car production promoted by the tax reduction program for eco-friendly cars and other products and a growth in demand for household solar power generation systems as a result of the revision of the feed-in tariff, fixed price system. In addition, with the advent of the times of global competition in social infrastructure business, it is expected that demand will grow in the future in such fields as high-speed railway networks, atomic power generation, environment-related apparatuses and smart grids.

The Economic Research Institute summarized the trend of the machine industry in 2010 in this annual report "Machine Industry in Japan, 2010 Edition" entitled "**Manufacturing in Japan Continuing to Have a Tough Game in the Aftermath of the Lehman shock.**" Aiming at covering the machine industry in Japan as broadly as possible, we analyzed supply and demand trend, export and import, results of operations, trend of the industry and other related subjects for the industrial fields listed below. The main industrial fields and business categories covered by this report are: industrial machine fields: machine tools, injection molding/plastics processing machines, forming machines, vending machines, conveying and carrying machines and industrial robots, construction machines, device-related manufacturing appliances (semiconductor/FPD panel manufacturing appliances), farm machines, textile machines, freezers and applied products; electric machine fields: consumer electric machines and appliances, consumer electronic machines and appliances (including cameras), batteries, electronic devices, general electronic parts, telecommunications equipment and wireless-applied appliances, medical electronics, computers and office machines; transportation machine fields: automobiles, automotive parts, two-wheeled vehicles, industrial vehicles and aircraft; precision machine fields: electric measuring instruments, measuring equipment, analyzing equipment and electric controls; and machine element fields: bearings and dies. The section of statistics includes the statistical data of main industries related to the machine industry according to the format of the Machine Industry Statistics.

In analyzing and assessing the situation and tendency of each industrial sector and category contained in this report, we were given valuable information from the people at related organizations and companies, and we would like to express our heartfelt gratitude to these people. We hope that this report will be helpful to the reader in understanding the trend of the machine industry in Japan, doing management planning and drafting industrial policies.

October 2010

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