

Country Report of Japan

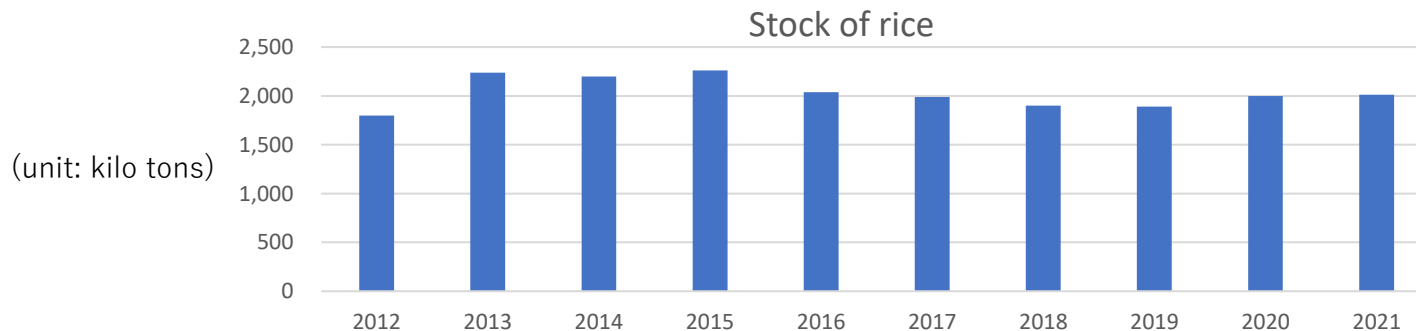
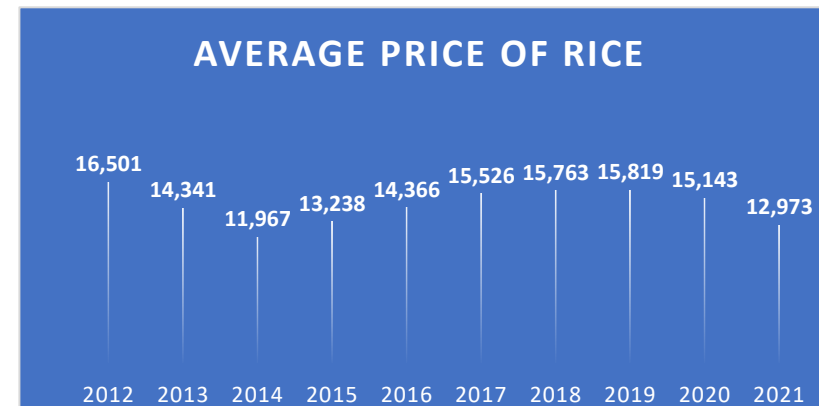
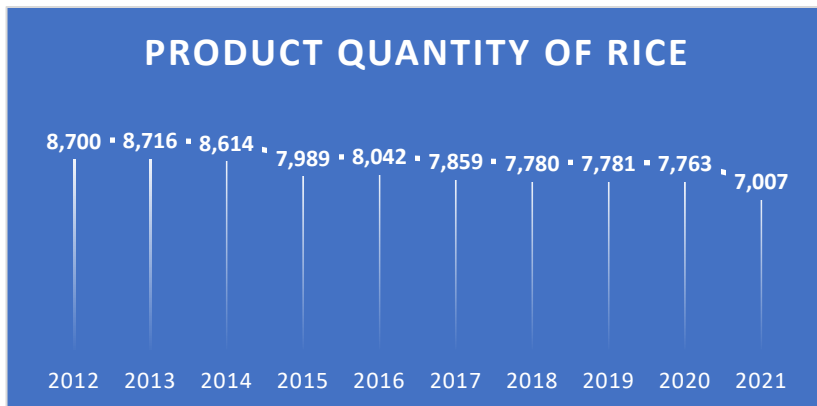
June 2022



Key Commodity Trends

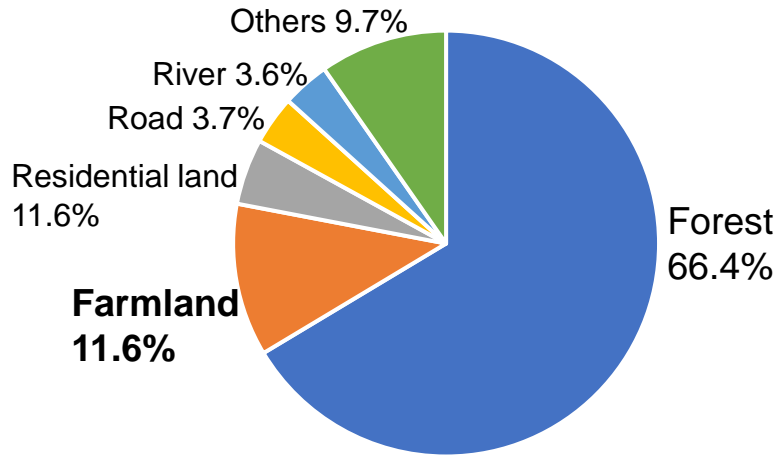
Rice is the main agricultural product in Japan, and the farmer's demand for agricultural machinery is affected by the price of rice.

- The price of rice went down compared to the previous year.
- The consumption of rice in restaurants has dropped sharply due to the Covid-19, and the stock of rice is enough. As a result, the demand for rice has decreased and the price has dropped.



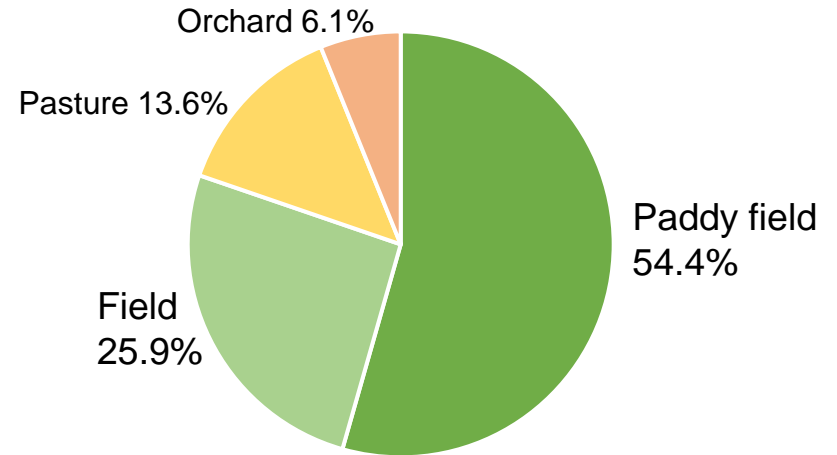
(Reference data)

Land usage



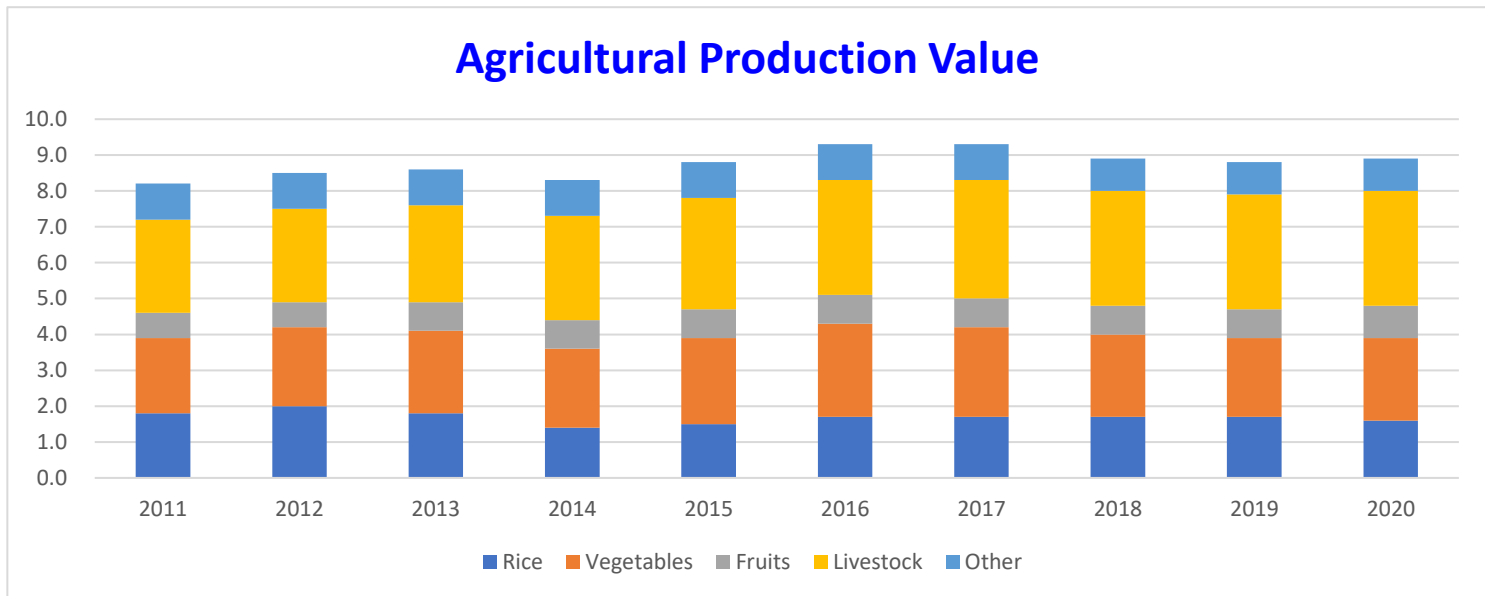
(Land area of Japan : 378,000km²)

Agricultural land usage



(Total farmland area : 4,372,000 ha)

Agricultural Production Value



Unit : Trillion yen

Equipment Forecast

Market trend in 2022 will be nearly as same as 2021.

<Shipment volume of Jan.-Apr. compared to the previous year>

Source: JAMMA Statistics

<For domestic market>

- Tractor : 96.4%
- Combine harvester : 101.1%
- Rice transplanter : 83.5%
- Tiller: 98.3%
- Sprayers: 85.2%

<For export>

- Tractor : 103.8%
- Combine harvester : 199.5%
- Rice transplanter : 99.9%
- Tiller: 119.0%
- Sprayers: 72.6%

Domestic Tractor Sales

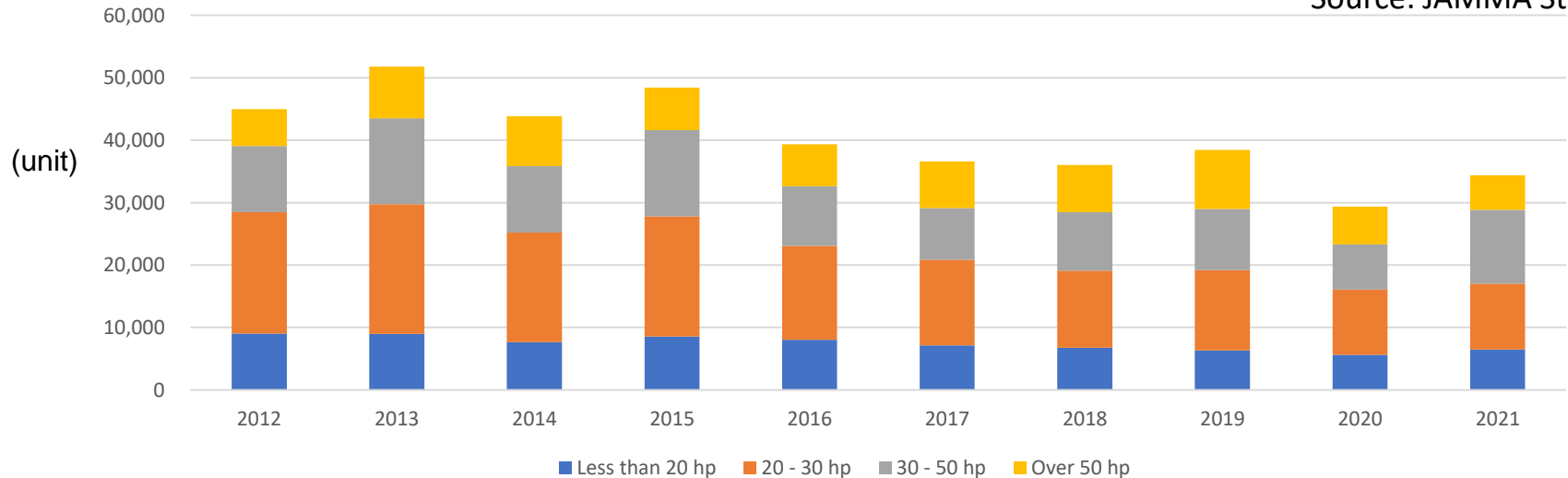
Domestic market trend (shipment and import)

Source: JAMMA Statistics and Custom statistics



Tractor shipment for domestic by HP band (only Japanese manufacturers)

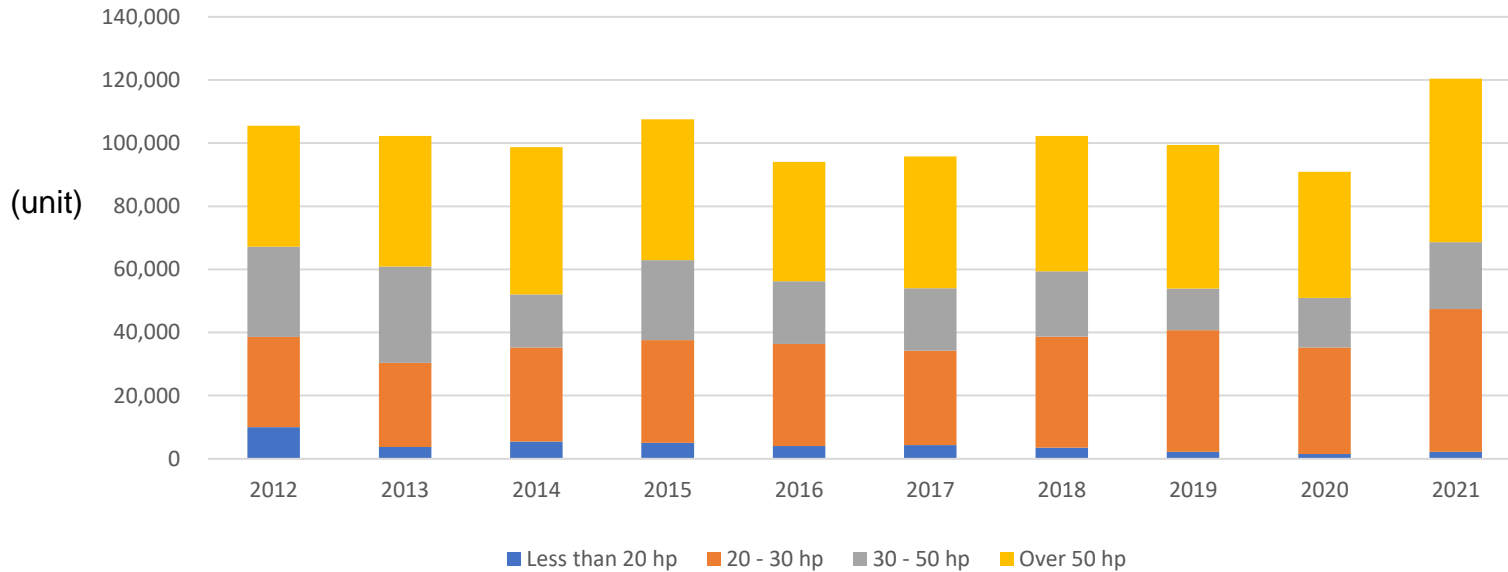
Source: JAMMA Statistics



Export Tractor Sales

Tractor shipment for export by HP band

Source: JAMMA Statistics



(unit)

	2017	2018	2019	2020	2021
United State	50,088	57,778	62,240	56,595	75,048
Canada	5,436	5,904	4,738	5,531	5,886
Thailand	5,802	5,054	6,571	3,949	7,871
Germany	3,276	4,113	3,495	3,391	3,643
France	6,831	6,569	4,916	3,233	6,946

Source: Custom statistics, Ministry of Finance

Key influencers of equipment sales

- ❑ **Covid-19**
- ❑ **Russia-Ukraine**
- ❑ **Semiconductor shortage**

Common concerns in the manufacturing industries

- Soaring energy prices
- Soaring prices of raw materials for parts
- Economic downturn due to rising prices
- Difficulty in procuring raw materials for parts
- Logistics function disruption
- Rising foreign exchange risk
- Rebuilding production lines and supply chains
- Loss of business opportunities due to restrictions

Overall Conclusions

- Business activity is slowly returning to pre-covid19 situation
- The market trend in 2022 seems to be recovering a little
- Difficulty in procuring parts and raw materials will continue for a while
- Can the increased production cost be reflected in the product price?
(The selling prices of many daily necessities are rising.)