February 18, 2025

Press Release

Forecast of Demand for Construction Equipment (February 2025)

Japan Construction Equipment Manufacturers Association (CEMA)

1.General

○ For fiscal year 24 (FY24), with a decline in both domestic and export demand, the full-year shipment value is expected to be JPY 2,969.0 billion (down 11% year-on-year), marking the first decline in four years.

○ For FY25, despite the transition to a gradual recovery from the second half (2H) of the fiscal year, both domestic and export demand are expected to remain flat from the previous year, and the full-year shipment value is expected to be JPY 2,971.4 billion (unchanged year-on-year).

2.By market (domestic / exports)

(1) Domestic

○ FY24 will, due to decreased motivation for capital investment following the rise in interest rates, likely see a decline in shipments of equipment for rental purposes.

- The first half (1H) saw three types of equipment increase year-on-year (including tractors by 4% and construction cranes by 5%), while the other six types decreased, and ended up with JPY 442.0 billion (down 6% year-on-year).
- The second half (2H) will likely see two types of equipment (construction cranes, hydraulic breakers & crushers) increase year-on-year, while the other seven types decrease, and end up with JPY 490.5 billion (down 6% year-on-year).
- As a result, the full-year figure for FY24 is expected to be JPY 932.5 billion (down 6% year-on-year), the first decline in four years. (The figure has been revised downward by JPY 42.5 billion compared to the previous forecast in August 2024.)

○ FY25 will likely see demand stay flat supported by public works investments.

- The 1H will likely see four types of equipment either increase or remain unchanged year-on-year, while the other five types will decrease, and end up with JPY 439.3

billion (down 1% year-on-year).

- The 2H will likely see six types of equipment either increase or remain unchanged year-on-year and end up with JPY 490.7 billion (unchanged year-on-year).
- As a result, the full-year figure for FY25 is expected to be JPY 930.0 billion (unchanged year-on-year). (The figures were revised downward by JPY 41.4 billion compared to the previous forecast in August 2024.)

(2) Exports

○ FY24 will likely see a decrease in exports, due to the impact of interest rates continuing at high levels caused by monetary tightening mainly in major regions (North America, Europe, and Asia) and other factors.

- The 1H saw five types of equipment decrease year-on-year (including demands for hydraulic excavators, the flagship products, decreasing 28%), and end up with JPY 1,222.0 billion (down 14% year-on-year).
- The 2H will likely see seven types of equipment decrease year-on-year and end up with JPY 1,014.4 billion (down 12% year-on-year).
- As a result, the full-year figure for FY24 is expected to be JPY 2,036.6 billion (down 13% year-on-year), the first decline in four years. (The figure has been revised downward by JPY 149.4 billion compared to the previous forecast in August 2024.)

○ FY25 will, as the interest rates also settle down, likely see demand gradually recover from 2H, with an increase in demand mainly for mini hydraulic excavators.

- The 1H will likely see four types of equipment either increase or remain unchanged year-on-year and end up with JPY 1,004.2 billion (down 2% year-on-year).
- The 2H will likely see six types of equipment either increase or remain unchanged year-on-year and end up with JPY 1,037.2 billion (up 2% year-on-year).
- As a result, the full-year figure for FY25 is expected to be JPY 2,041.4 billion (unchanged year-on-year). (The figures were revised downward by JPY 190.5 billion compared to the previous forecast in August 2024.)

【Outline of Demand Forecast Survey Results】

		FY24			FY25		
		1H Projection	2H Forecast	Total Forecast	1H Forecast	2H Forecast	Total Forecast
Domestic	Amount (Million yen)	441,973	490,500	932,473	439,300	490,700	930,000
	Year-on-year (%)	94	94	94	99	100	100
	Year-on-year in the previous forecast (%)	97	100	99	99	100	100
Exports	Amount (Million yen)	1,022,167	1,014,400	2,036,567	1,004,200	1,037,200	2,041,400
	Year-on-year (%)	86	88	87	98	102	100
	Year-on-year in the previous forecast (%)	90	97	93	103	102	102
Total	Amount (Million yen)	1,464,140	1,504,900	2,969,040	1,443,500	1,527,900	2,971,400
	Year-on-year (%)	88	90	89	99	102	100
	Year-on-year in the previous forecast (%)	92	98	95	102	101	101

Note: Service parts are not included.

This material is compiled by Japan Construction Equipment Manufacturers Association (CEMA; Chairman: Akira Yamamoto), based on the results of a demand forecast survey answered by 61 construction equipment manufacturers with a CEMA regular member status as of January 2025. This survey was our 67th, and was conducted in a questionnaire style, asking the participants their values of domestic shipments and exports for four semi-annual periods (the first and second halves of FY24 and FY25) and in the categories of 9 types of construction equipment.

Forecast of Demand for Construction Equipment

Feburary 18 , 2025

Japan Construction Equipment Manufacturers Association (CEMA)

Forecast for FY24

Upper: Value in million yen

Lower: Year-on-year comparison (%)

	1H Projection			2H Forecast			Full-year Forecast		
	Domestic	Exports	Total	Domestic	Exports	Total	Domestic	Exports	Total
Tractors	64,318	148,844	213,162	77,900	129,000	206,900	142,218	277,844	420,062
	104	100	101	90	90	90	96	95	95
Hydraulic Excavators	131,452	384,487	515,939	158,500	406,700	565,200	289,952	791,187	1,081,139
	85	72	74	92	86	88	88	78	81
Mini Hydraulic Excavators	38,126	205,563	243,689	43,500	200,500	244,000	81,626	406,063	487,689
	88	89	89	91	81	83	90	85	86
Construction Cranes	110,910	71,303	182,213	107,900	74,700	182,600	218,810	146,003	364,813
	105	108	106	103	104	103	104	106	105
Road Equipment	16,994	26,080	43,074	17,600	23,600	41,200	34,594	49,680	84,274
	93	116	105	83	100	92	88	108	98
Concrete Equipment	15,692	690	16,382	19,100	900	20,000	34,792	1,590	36,382
	97	94	97	99	97	99	98	95	98
Foundation Work Equipment	18,954	396	19,350	18,500	1,200	19,700	37,454	1,596	39,050
	96	27	91	96	82	95	96	55	93
Hydraulic Breakers Hydraulic Crushers	13,643	4,436	18,079	13,600	4,100	17,700	27,243	8,536	35,779
	107	90	102	102	91	99	104	91	101
Other Construction Equipment	31,884	180,368	212,252	33,900	173,700	207,600	65,784	354,068	419,852
	92	100	99	96	96	96	94	98	97
Total	441,973	1,022,167	1,464,140	490,500	1,014,400	1,504,900	932,473	2,036,567	2,969,040
	94	86	88	94	88	90	94	87	89

Forecast of Demand for Construction Equipment

Feburary 18 , 2025

Japan Construction Equipment Manufacturers Association (CEMA)

Forecast for FY25

Upper: Value in million yen

Lower: Year-on-year comparison (%)

	1H Projection			2H Forecast			Full-year Forecast		
	Domestic	Exports	Total	Domestic	Exports	Total	Domestic	Exports	Total
Tractors	61,700	144,400	206,100	76,300	129,000	205,300	138,000	273,400	411,400
	96	97	97	98	100	99	97	98	98
Hydraulic Excavators	131,500	380,600	512,100	158,500	410,800	569,300	290,000	791,400	1,081,400
	100	99	99	100	101	101	100	100	100
Mini Hydraulic Excavators	37,700	199,400	237,100	44,800	216,500	261,300	82,500	415,900	498,400
	99	97	97	103	108	107	101	102	102
Construction Cranes	112,000	67,700	179,700	107,900	74,700	182,600	219,900	142,400	362,300
	101	95	99	100	100	100	100	98	99
Road Equipment	17,500	26,600	44,100	18,700	25,000	43,700	36,200	51,600	87,800
	103	102	102	106	106	106	105	104	104
Concrete Equipment	15,400	700	16,100	18,500	900	19,400	33,900	1,600	35,500
	98	96	98	97	96	97	97	101	98
Foundation Work Equipment	18,200	300	18,500	17,800	1,000	18,800	36,000	1,300	37,300
	96	83	96	96	82	95	96	81	96
Hydraulic Breakers Hydraulic Crushers	13,400	4,100	17,500	13,600	3,900	17,500	27,000	8,000	35,000
	98	93	97	100	96	99	99	94	98
Other Construction Equipment	31,900	180,400	212,300	34,600	175,400	210,000	66,500	355,800	422,300
	100	100	100	102	101	101	101	100	101
Total	439,300	1,004,200	1,443,500	490,700	1,037,200	1,527,900	930,000	2,041,400	2,971,400
	99	98	99	100	102	102	100	100	100

Changes in Construction Equipment Shipment Value Statistics (Fiscal Year)　Forecast for February 2025

Upper：Value in million yen
Lower：Year-on-year comparison

Type	Rigion	０７	０８	０９	１０	１１	１２	１３	１４	１５	１６	１７	１８	１９	２０	２１	２２	２３	２４ Forecast	２５Forecast
Tractors	Domestic	86,751	68,094	49,643	55,364	67,182	92,194	114,555	112,494	120,740	113,657	109,773	121,769	121,000	109,716	106,968	113,201	148,517	142,218	138,000
	Total	95	79	73	112	121	137	124	98	107	94	97	111	99	91	98	106	131	96	97
	Exports	309,147	257,243	88,865	185,865	238,442	202,400	189,219	212,143	146,491	126,496	178,822	190,022	138,179	128,891	215,959	284,313	292,442	277,844	273,400
	Total	126	83	35	209	128	85	93	112	69	86	141	116	73	93	168	132	103	95	98
	Subtotal	395,898	325,337	138,508	241,229	305,624	294,594	303,774	324,637	267,231	240,153	288,595	311,791	259,179	238,607	322,927	397,514	440,959	420,062	411,400
		118	82	43	174	127	96	103	107	82	90	120	108	83	92	135	123	111	95	98
Excavators	Domestic	295,296	197,598	99,556	138,014	197,032	255,476	358,163	287,439	253,663	252,938	269,656	270,587	282,642	296,096	304,164	320,414	327,793	289,952	290,000
	Total	108	67	50	139	143	130	140	80	88	100	107	100	104	105	103	105	102	88	100
Hydraulic Excavators	Exports	719,983	595,586	326,209	655,519	760,735	559,611	520,006	558,138	468,539	498,370	659,084	773,484	599,682	491,096	739,662	965,612	1,010,155	791,187	791,400
	Total	122	83	55	201	116	74	93	107	84	106	132	117	78	82	151	131	105	78	100
	Subtotal	1,015,279	793,184	425,765	793,533	957,767	815,087	878,169	845,577	722,202	751,308	928,740	1,044,071	882,324	787,192	1,043,826	1,286,026	1,337,948	1,081,139	1,081,400
		117	78	54	186	121	85	108	96	85	104	124	112	85	89	133	123	104	81	100
Mini Hydraulic Excavators	Domestic	79,793	49,022	30,883	42,404	57,551	71,141	85,380	102,048	106,846	77,282	84,358	89,499	85,859	86,320	86,552	84,614	91,118	81,626	82,500
	Total	100	61	63	137	136	124	120	120	105	72	109	106	96	101	100	98	108	90	101
	Exports	186,806	96,291	52,449	99,424	124,263	119,367	137,599	164,475	167,115	178,323	212,081	230,492	231,056	228,150	329,555	407,016	478,399	406,063	415,900
	Total	115	52	54	190	125	96	115	120	102	107	119	109	100	99	144	124	118	85	102
	Subtotal	266,599	145,313	83,332	141,828	181,814	190,508	222,979	266,523	273,961	255,605	296,439	319,991	316,915	314,470	416,107	491,630	569,517	487,689	498,400
		110	55	57	170	128	105	117	120	103	93	116	108	99	99	132	118	117	86	102
Construction Cranes	Domestic	170,066	151,053	83,700	83,071	106,582	123,277	164,536	188,161	204,697	213,937	198,054	191,353	198,575	170,018	167,614	191,705	210,526	218,810	219,900
	Total	116	89	55	99	128	116	133	114	109	105	93	97	104	86	99	114	110	104	100
	Exports	117,935	138,168	64,616	63,442	75,053	79,265	110,171	129,724	117,057	70,016	68,681	83,835	85,182	50,719	71,997	93,810	137,606	146,003	142,400
	Total	135	117	47	98	118	106	139	118	90	60	98	122	102	60	142	130	147	106	98
	Subtotal	288,001	289,221	148,316	146,513	181,635	202,542	274,707	317,885	321,754	283,953	266,735	275,188	283,757	220,737	239,611	285,515	348,132	364,813	362,300
		123	100	51	99	124	112	136	116	101	88	94	103	103	78	109	119	122	105	99
Road Equipment	Domestic	29,515	23,546	18,270	23,649	26,464	32,883	38,762	39,546	40,084	36,442	38,692	35,743	40,185	40,327	39,236	37,396	39,522	34,594	36,200
	Total	102	80	78	129	112	124	118	102	101	91	106	92	112	100	97	95	106	88	105
	Exports	43,926	39,836	20,260	27,745	31,258	27,523	30,656	33,545	31,506	25,870	36,598	31,894	21,075	21,585	35,824	41,181	46,136	49,680	51,600
	Total	136	91	51	137	113	88	111	109	94	82	141	87	66	102	166	115	112	108	104
	Subtotal	73,441	63,382	38,530	51,394	57,722	60,406	69,418	73,091	71,590	62,312	75,290	67,637	61,260	61,912	75,060	78,577	85,658	84,274	87,800
		120	86	61	133	112	105	115	105	98	87	121	90	91	101	121	105	109	98	104
Concrete Equipment	Domestic	22,988	15,931	13,927	10,877	14,912	17,579	26,454	28,870	30,307	29,360	29,244	28,264	30,853	31,412	32,554	30,645	35,495	34,792	33,900
	Total	107	69	87	78	137	118	150	109	105	97	100	97	109	102	104	94	116	98	97
	Exports	3,229	1,704	798	896	1,107	1,342	1,660	1,739	2,244	1,664	1,558	924	1,279	830	1,078	1,225	1,671	1,590	1,600
	Total	145	53	47	112	124	121	124	105	129	74	94	59	138	65	130	114	136	95	101
	Subtotal	26,217	17,635	14,725	11,773	16,019	18,921	28,114	30,609	32,551	31,024	30,802	29,188	32,132	32,242	33,632	31,870	37,166	36,382	35,500
		110	67	83	80	136	118	149	109	106	95	99	95	110	100	104	95	117	98	98
Foundation Work Equipment	Domestic	24,787	22,869	18,851	17,821	18,822	22,108	30,207	32,305	35,062	38,978	39,120	43,449	40,896	36,074	34,601	37,232	39,069	37,454	36,000
	Total	137	92	82	95	106	118	137	107	109	111	100	111	94	88	96	108	105	96	96
	Exports	2,118	2,689	2,497	3,010	3,684	4,169	3,383	3,043	3,399	6,141	5,211	4,250	4,801	4,974	4,651	3,567	2,899	1,596	1,300
	Total	172	127	93	121	122	113	81	90	112	181	85	82	113	104	94	77	81	55	81
	Subtotal	26,905	25,558	21,348	20,831	22,506	26,277	33,590	35,348	38,461	45,119	44,331	47,699	45,697	41,048	39,252	40,799	41,968	39,050	37,300
		139	95	84	98	108	117	128	105	109	117	98	92	96	110	96	104	103	93	96
Hydraulic Breakers Hydraulic Crushers	Domestic	16,537	11,680	6,322	8,205	12,885	13,499	16,164	18,468	18,052	18,895	19,867	20,524	20,628	19,202	22,583	24,259	26,125	27,243	27,000
	Total	104	71	54	130	157	105	120	114	98	105	105	103	101	93	118	107	108	104	99
	Exports	15,209	11,267	6,884	10,196	8,061	7,115	7,033	8,481	8,962	7,561	9,079	10,068	8,633	6,200	10,205	11,784	9,419	8,536	8,000
	Total	113	74	61	148	79	88	99	121	106	84	120	111	86	72	165	116	80	91	94
	Subtotal	31,746	22,947	13,206	18,401	20,946	20,614	23,197	26,949	27,014	26,456	28,946	30,592	29,261	25,402	32,788	36,043	35,544	35,779	35,000
		108	72	58	139	114	98	113	116	100	98	109	106	96	87	129	110	99	101	98
Other Construction Equipments	Domestic	63,333	60,206	46,731	41,489	62,864	50,344	60,978	65,660	70,558	85,000	75,831	72,809	74,894	71,397	71,510	80,522	69,864	65,784	66,500
	Total	94	95	78	89	152	80	121	108	107	120	89	96	102	95	100	113	87	94	101
	Exports	255,218	232,921	138,429	246,303	263,219	208,447	176,218	162,671	154,579	162,160	232,278	250,791	189,585	144,232	256,705	325,629	361,407	354,068	355,800
	Total	125	91	59	178	107	79	85	92	95	105	143	108	76	76	178	127	111	98	100
	Subtotal	318,551	293,127	185,160	287,792	326,083	258,791	237,196	228,331	225,137	247,160	308,109	323,600	264,479	215,629	328,215	406,151	431,271	419,852	422,300
		117	92	63	155	113	79	92	96	99	110	125	105	82	82	152	124	106	97	101
Equipment Total	Domestic	789,066	599,999	367,883	420,894	564,294	678,501	895,199	874,991	880,009	866,489	864,595	873,997	895,532	860,562	865,782	919,988	988,029	932,473	930,000
	Total	106	76	61	114	134	120	132	98	101	98	100	101	102	96	101	106	107	94	100
	Exports	1,653,571	1,375,705	701,007	1,292,400	1,505,822	1,209,239	1,175,945	1,273,959	1,099,892	1,076,601	1,403,392	1,575,760	1,279,472	1,076,677	1,665,636	2,134,137	2,340,134	2,036,567	2,041,400
	Total	123	83	51	184	117	80	97	108	86	98	130	112	81	84	155	128	110	87	100
	Subtotal	2,442,637	1,975,704	1,068,890	1,713,294	2,070,116	1,887,740	2,071,144	2,148,950	1,979,901	1,943,090	2,267,987	2,449,757	2,175,004	1,937,239	2,531,418	3,054,125	3,328,163	2,969,040	2,971,400
		117	81	54	160	121	91	110	104	92	98	117	108	89	89	131	121	109	89	100
Service Parts	Domestic	101,204	89,678	89,691	90,098	98,807	101,709	114,173	118,920	119,250	120,038	118,860	118,506	124,499	125,169	132,080	137,270	142,709		
	Total	97	89	100	100	110	103	112	104	100	101	99	100	105	101	106	104	104		
	Exports	131,888	131,696	103,599	159,587	181,432	160,061	149,927	171,732	157,640	143,439	208,316	238,990	201,540	151,957	247,595	285,426	265,029		
	Total	117	100	79	154	114	88	94	115	92	91	145	115	84	75	163	115	93		
	Subtotal	233,092	221,374	193,290	249,685	280,239	261,770	264,100	290,652	276,890	263,477	327,176	357,496	326,039	277,126	379,675	422,696	407,738		
		108	95	87	129	112	93	101	110	95	95	124	109	91	85	137	111	97		
Grand Total	Domestic	890,270	689,677	457,574	510,992	663,101	780,210	1,009,372	993,911	999,259	986,527	983,455	992,503	1,020,031	985,731	997,862	1,057,258	1,130,738		
	Total	105	78	66	112	130	118	129	98	101	99	100	101	103	97	101	106	107		
	Exports	1,785,459	1,507,401	804,606	1,451,987	1,687,254	1,369,300	1,325,872	1,445,691	1,257,532	1,220,040	1,611,708	1,814,750	1,481,012	1,228,634	1,913,231	2,419,563	2,605,163		
	Total	123	84	53	180	116	81	97	109	87	97	132	113	82	83	156	127	108		
	Subtotal	2,675,729	2,197,078	1,262,180	1,962,979	2,350,355	2,149,510	2,335,244	2,439,602	2,256,791	2,206,567	2,595,163	2,807,253	2,501,043	2,214,365	2,911,093	3,476,821	3,735,901		
		116	82	57	156	120	92	109	104	93	98	118	108	89	89	132	119	108		

Japan Construction Equipment Manufacturers Association (CEMA)
Chairman's Press Conference

— Forecast of Demand for Construction Equipment (CE) —

(Published in February 2025)

February 18, 2025

Akira Yamamoto, CEMA Chairman

● Program

1. Opening declaration by PR Committee Chairman Higuchi at 10:30
2. Reporting by CEMA Chairman Yamamoto at 10:35 - 11:00
   - Forecast of Demand for Construction Equipment (on a shipment basis)
3. Q&A at 11:00 - 11:30
4. Closing declaration by PR Committee Chairman Higuchi at 11:30

[Outline of CEMA Demand Forecast]

- Published in February and August every financial year. This is the 67th.
- Scope of survey: 61 CE manufacturers with CEMA regular member status
- Date of survey: As of January 2025
- Period for survey: Three periods consisting of the second half (2H) of FY2024 and the first and second halves of FY2025
- Types of CE surveyed: 9 types (Tractors, Hydraulic Excavators (HE), Mini HE, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE)

(The next demand forecast will be announced on Wednesday, August 6, 2025.)

[Contents of Chairman's Press Conference]

1. Demand Forecast for FY24/25

(1) Shipment Value Basis

① FY over FY comparison

② Half year vs previous half year comparison

③ Changes by model (incl. service parts)

④ Changes by market (domestic/exports)

(2) Unit Number Basis

① HE (hydraulic excavators)

② Mini HE

2. Survey Results - Members

(1) Background to domestic demand forecasts

① Public works projects

② Private capital investments

③ Housing investments

(2) Behind overseas demand forecast

① Trend in the North American markets

② Trend in the European markets

③ Trend in Asian markets ex. China (including Oceania)

④ Trend in the Chinese market

(3) Trends in exchange rate

① JPY-USD

② JPY-EUR

(4) Survey Results on Topics

① Factors that may affect demand forecast

[For Reference]

① Trends by CE type (CY): 2016 - 2024

② Changes in composition ratio by destination: 2016 - 2023

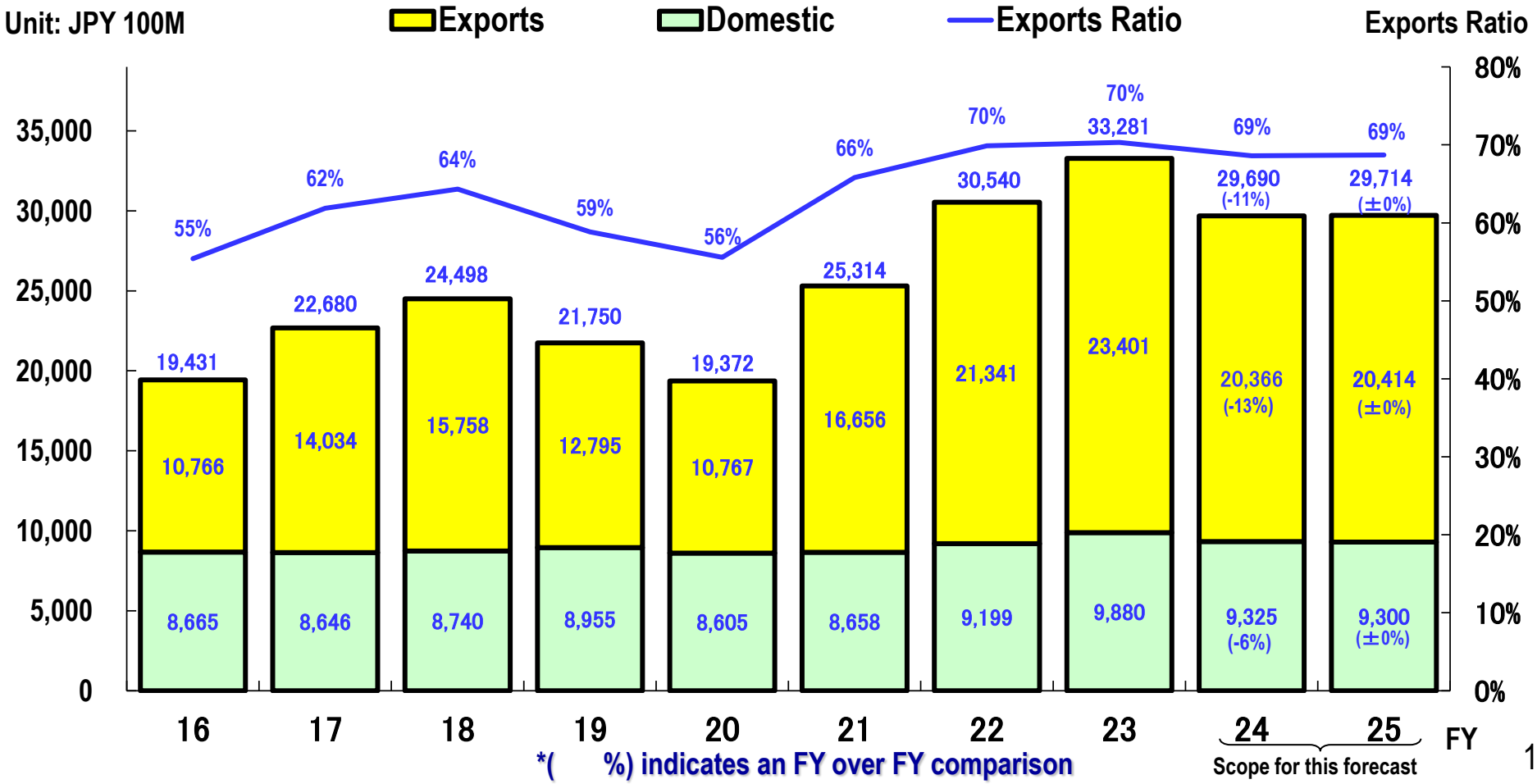
③ Changes in composition ratio by destination: Apr-Dec 2024

④ Changes in index (FY2007=100) by destination

1. Demand Forecasts for FY 24/25 (1) Shipment Value Basis

① FY over FY comparison

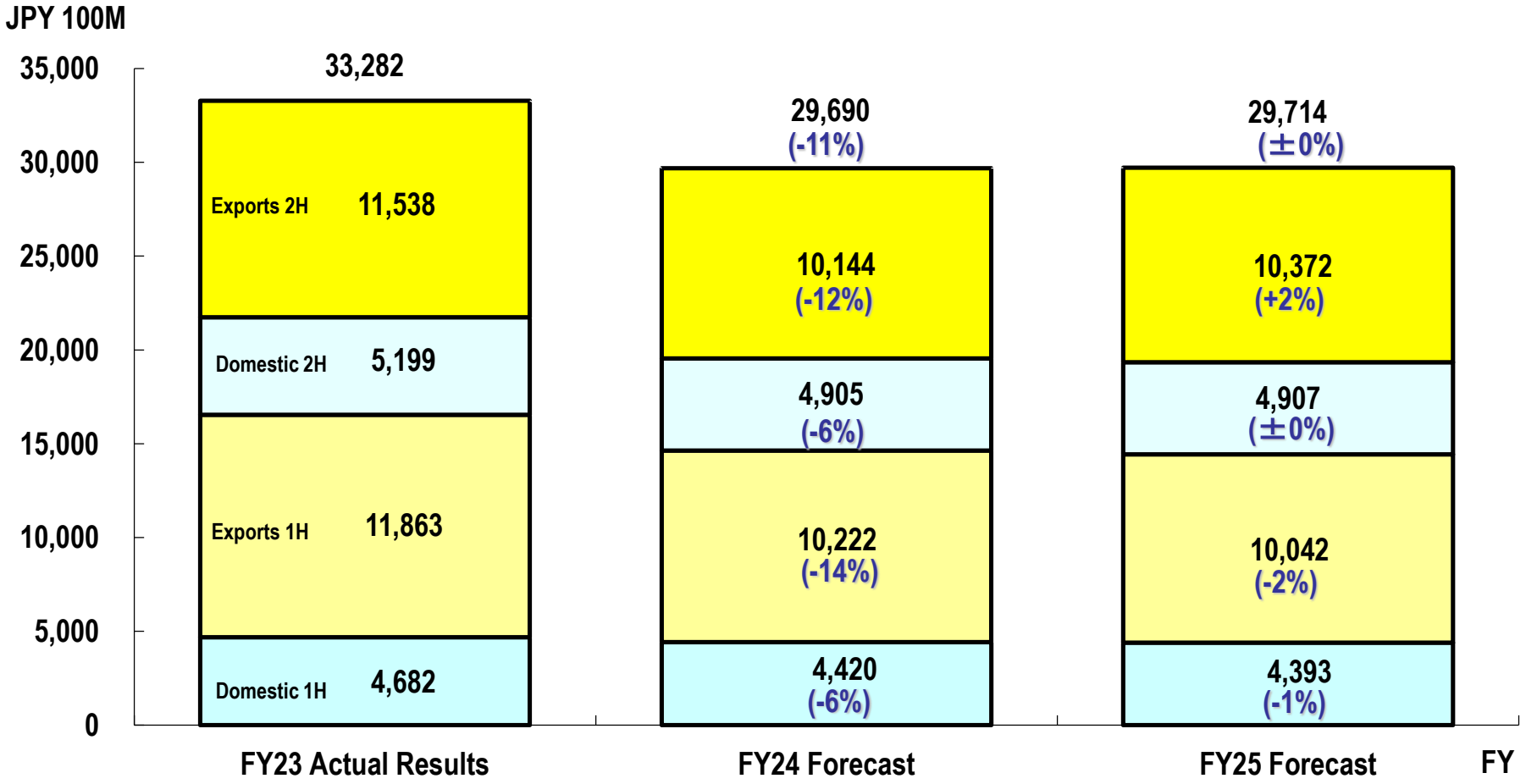
- In FY24, with a decline in both domestic and export demand, the shipment value is expected to be JPY 2,969.0 billion (down 11% y-o-y), marking the first decline in four years.
- In FY25, despite the transition to a gradual recovery from 2H of the fiscal year, both domestic and export demand are expected to remain flat from the previous year, leading to the shipment value to end up at JPY 2,971.4 billion (unchanged y-o-v).



1. Demand Forecasts for FY 24/25 (1) Shipment Value Basis

② Half year vs previous half year comparison

- In FY24, domestic and export demand both decreased in 1H and 2H.
- In FY25, domestic demand is expected to decrease in 1H and trend sideways in 2H. Exports are expected to decrease in 1H and increase in 2H.

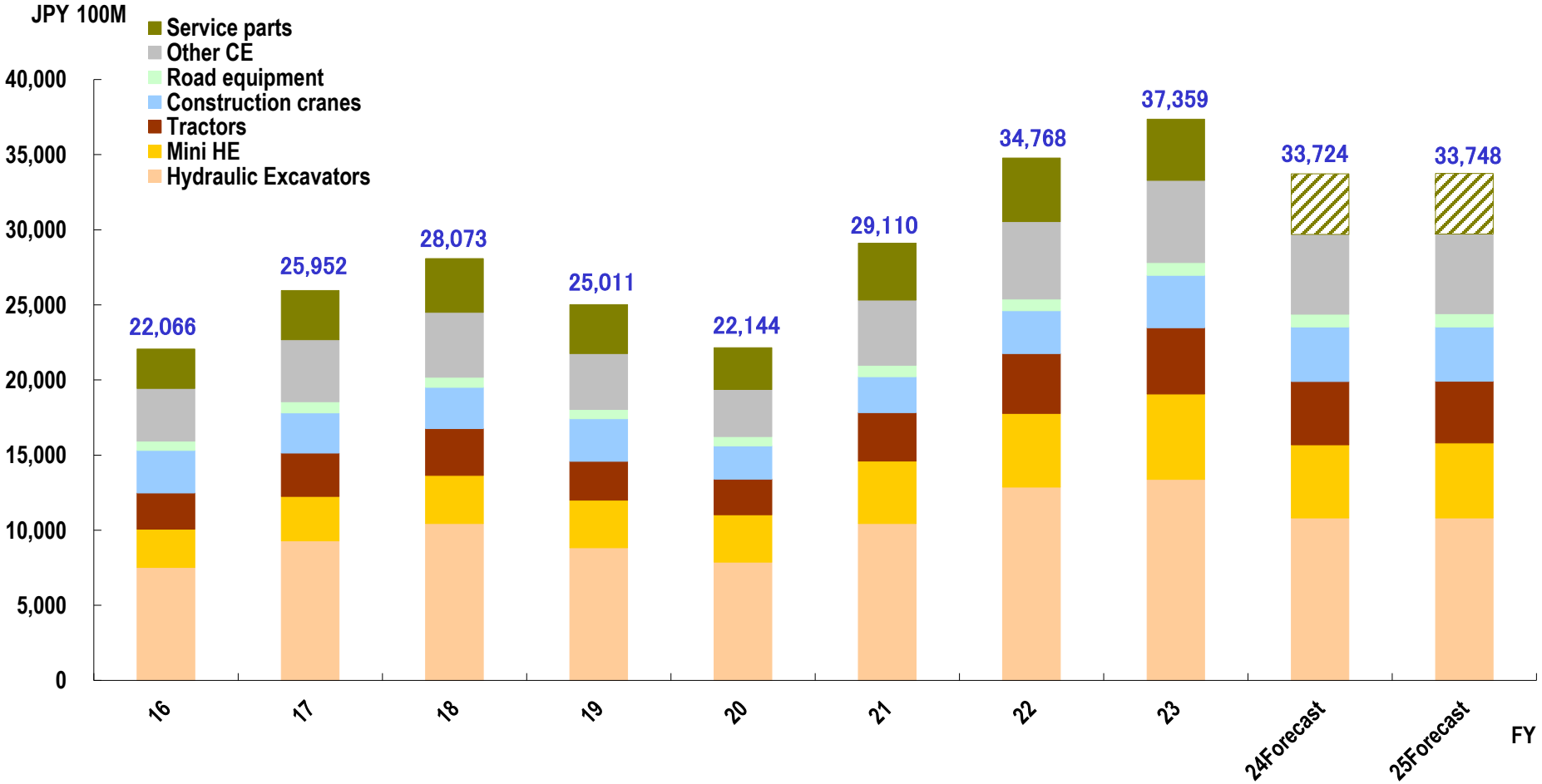


*(%) indicates an FY over FY comparison

1. Demand Forecasts for FY 24/25 (1) Shipment Value Basis

③ Trends by CE type (including service parts)

- In FY24, demand is expected to increase for two types of equipment out of nine in total.
- In FY25, demand is expected to increase for three types of equipment out of nine in total.



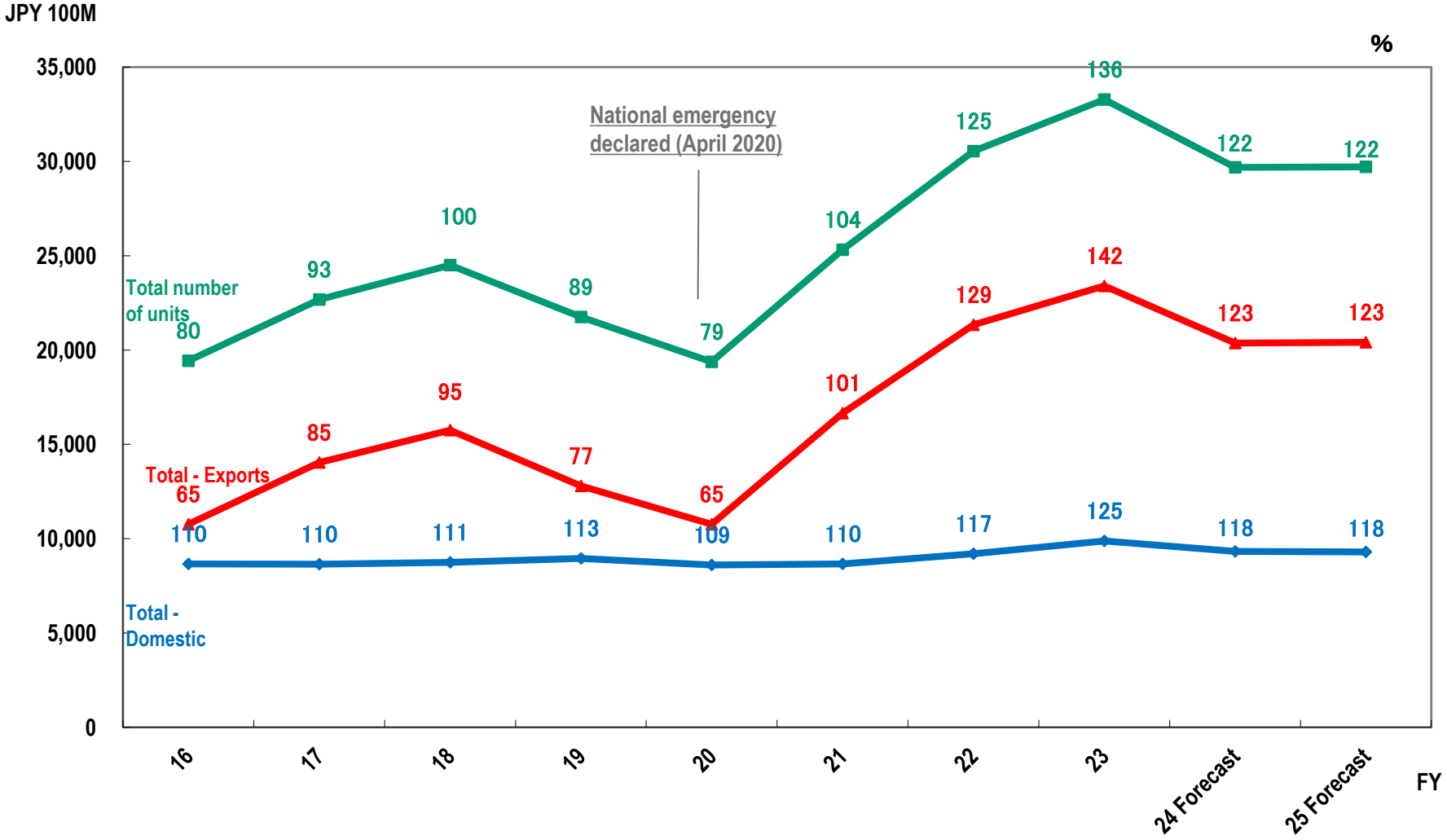
*On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE. However, the forecast of service parts for FY24 and FY25 are the average amount over the past 5 years (JPY 403.4B)

Source: Statistics privately compiled by CEMA

1. Demand Forecasts for FY 24/25 (1) Shipment Value Basis

④ Changes by market (Domestic/Exports)

○ In FY24 and FY25, both domestic demand and exports will continue to be robust.

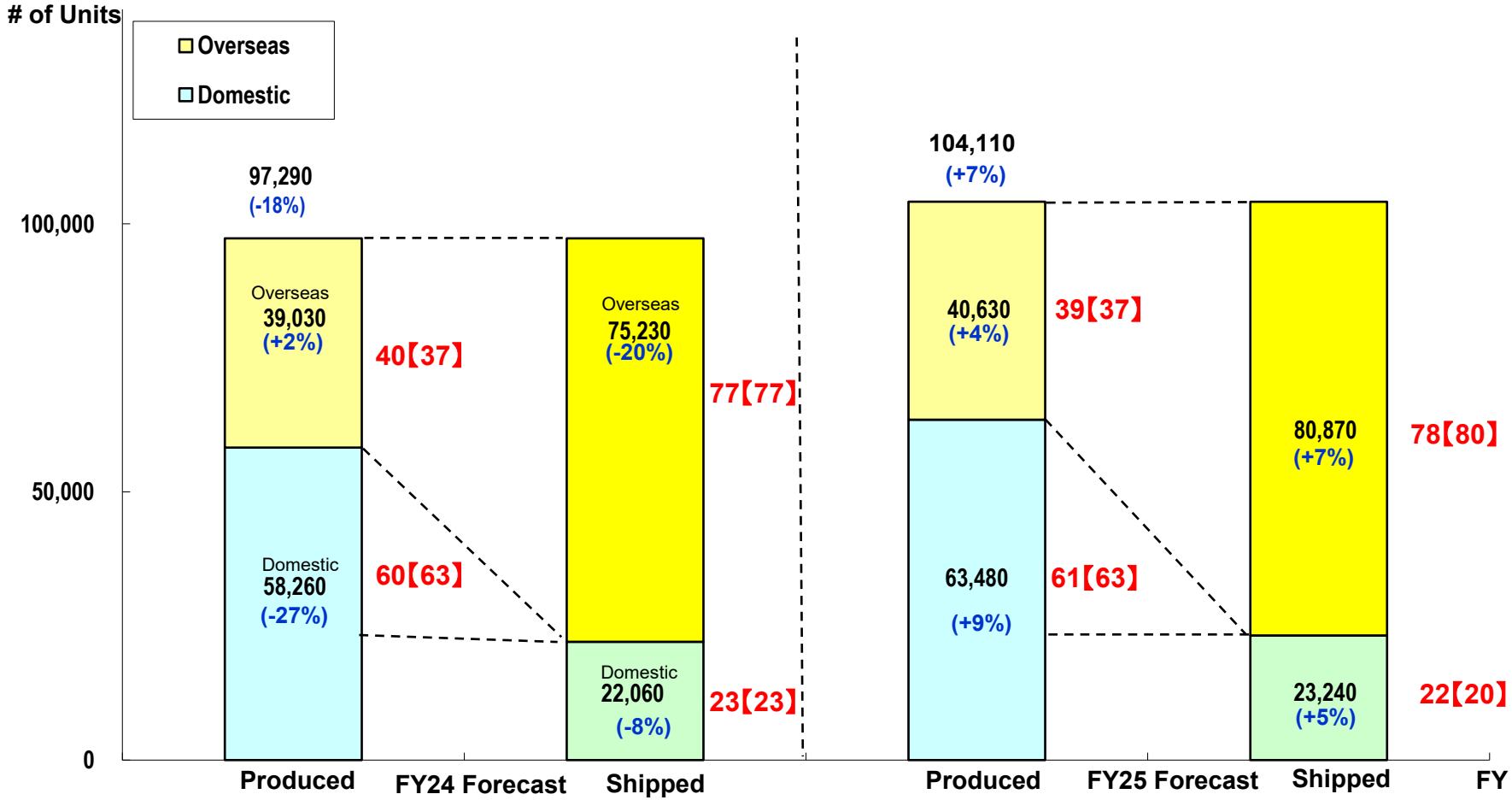


*Index for the following 9 types of CE (2007=100): Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE.

Source: Statistics privately compiled by CEMA

1. Demand Forecast for FY24/25（2）Unit Number Basis
① Hydraulic Excavators

- In FY24, overseas production will increase, while both domestic production and shipments decrease.
- In FY25, both production and shipments are expected to increase for domestic and overseas markets.



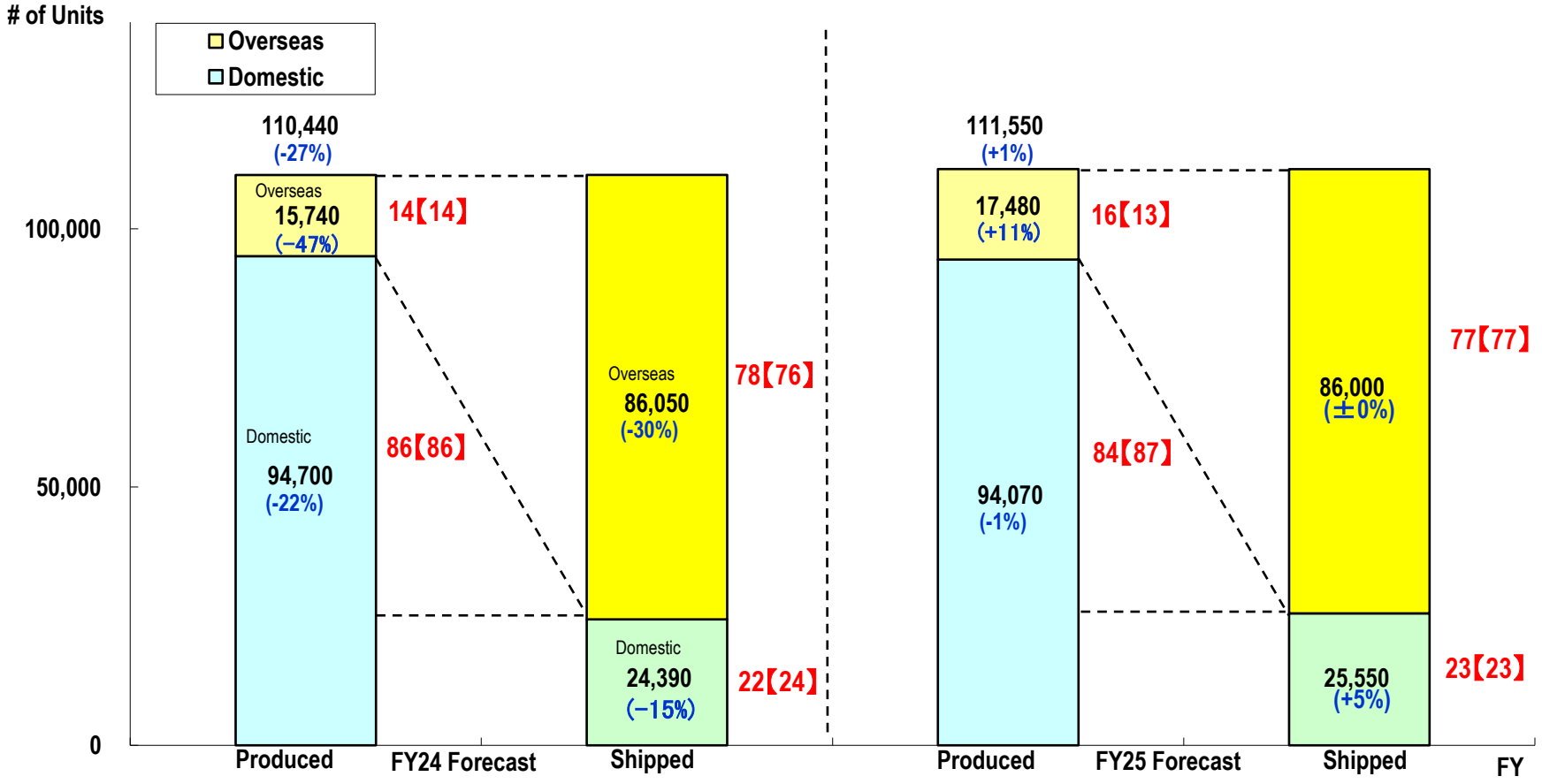
* On a basis of the produced units of HE
* Figures in red indicate domestic-overseas ratios. In【 】are projections as of August. In ( ) are FY over FY comparisons.

Source: Research by CEMA

1. Demand Forecast for FY24/25（2）Unit Number Basis

② Mini HE

- In FY24, production and shipments will decrease for both domestic and export markets.
- In FY25, domestic production will decrease, but shipments increase. Overseas production will increase.



* On a basis of the produced units of Mini HE

* Figures in red indicate domestic-overseas ratios. In【 】are projections as of August. In ( ) are FY over FY comparisons.

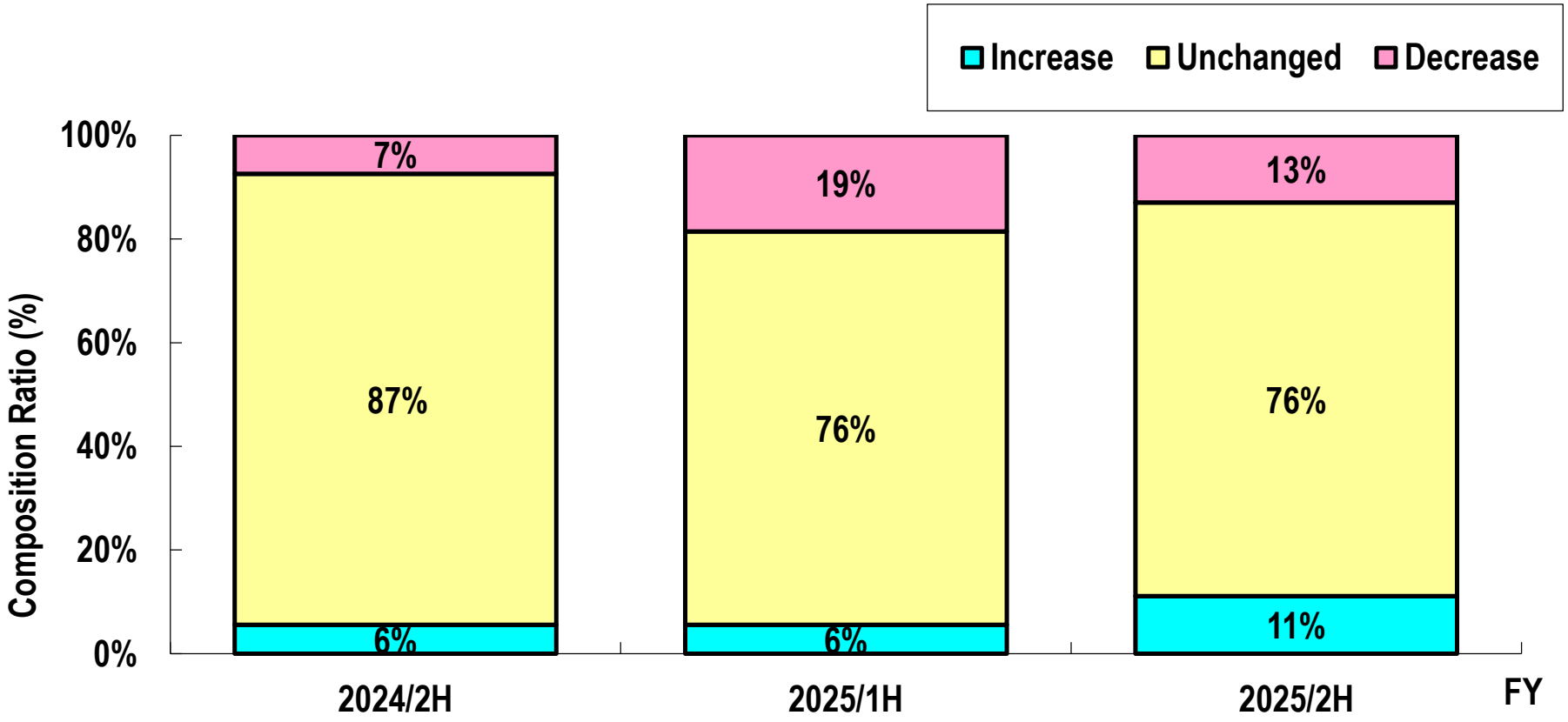
Source: Research by CEMA

2. Survey Results - Members

(1) Behind domestic demand forecast

① Public works projects

○ The majority view the situation as trending sideways for both FY24 and FY25. While an increasing number of companies expect decreases for 1H FY25, an increasing number of companies also expect increases in 2H FY25.

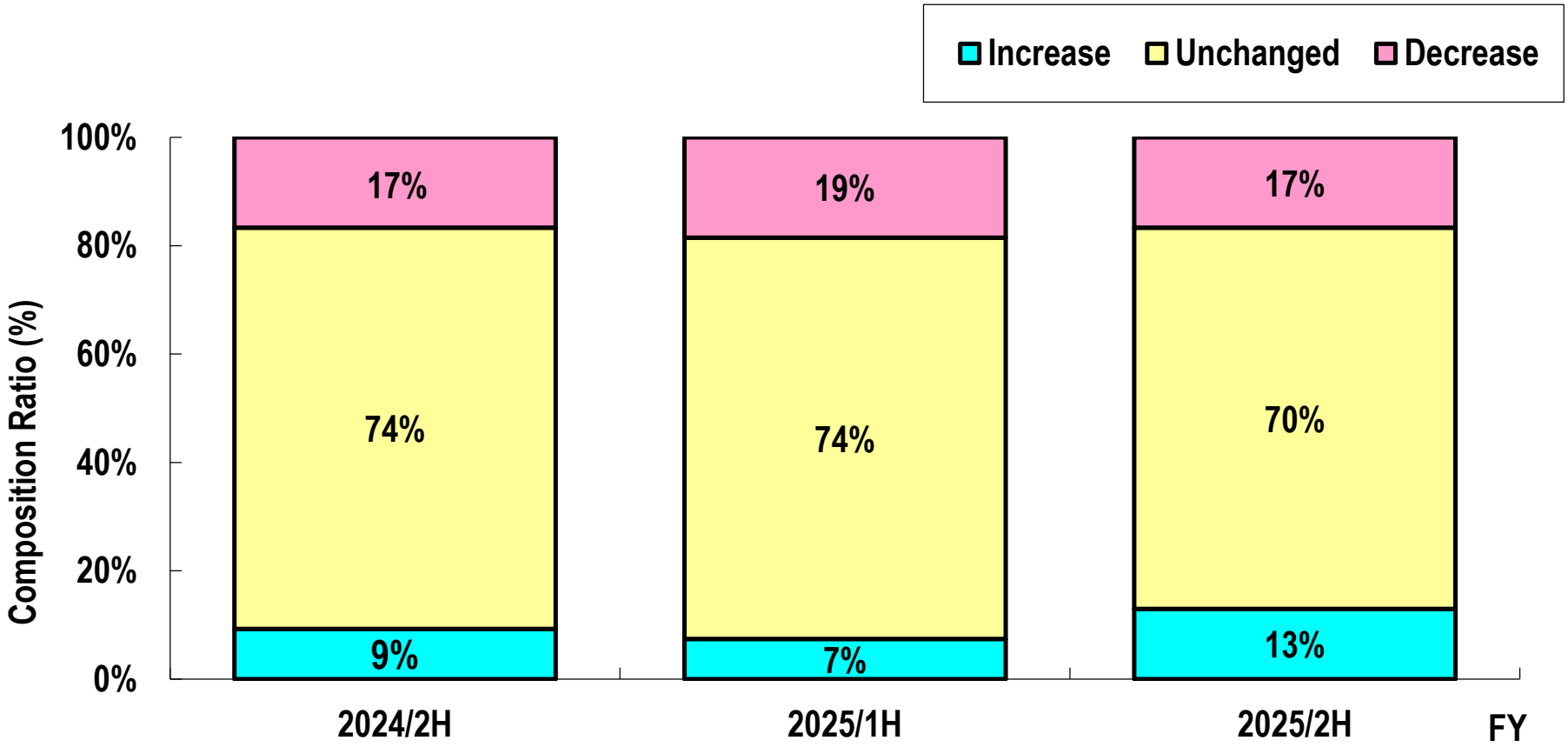


2. Survey Results - Members

(1) Behind domestic demand forecast

② Private capital investment

○ The majority view the situation as trending sideways for both FY24 and FY25, with fewer companies expect increases for 2H FY25 and onward.

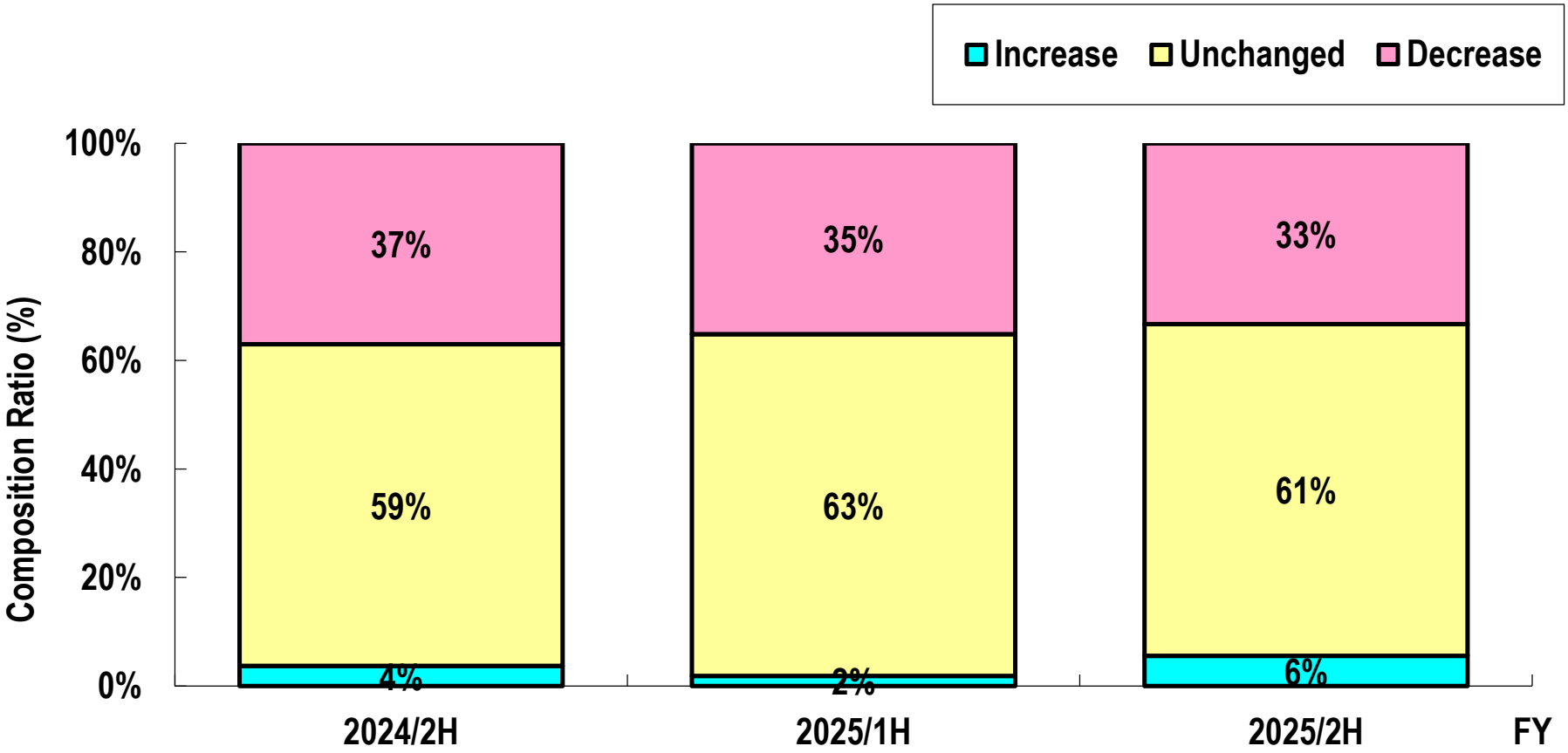


2. Survey Results - Members

(1) Behind domestic demand forecast

③ Housing investments

○ The majority view the situation as trending sideways for both FY24 and FY25, while slightly fewer companies expect decreases for FY25 and onward.

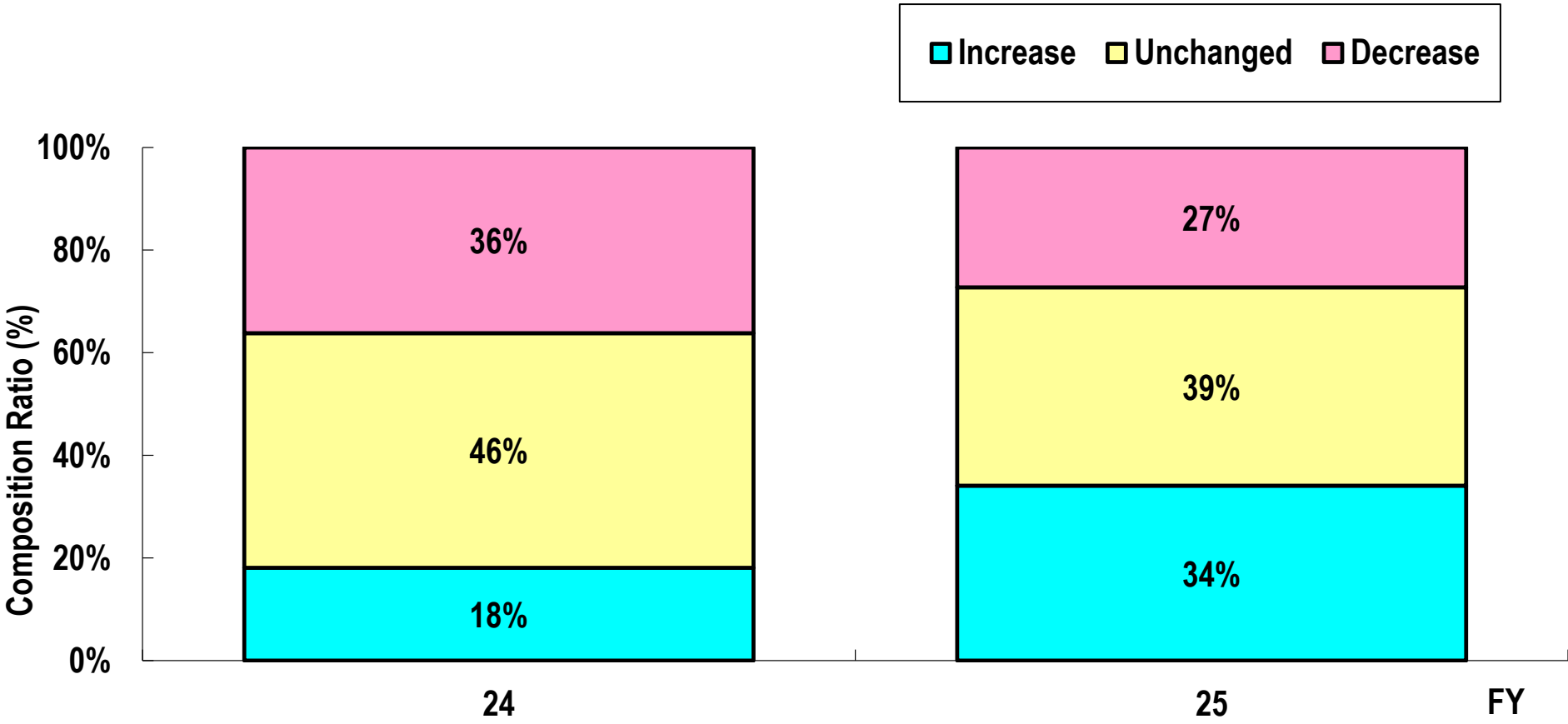


2. Survey Results - Members

(2) Behind overseas demand forecast

① Trend in the North American markets

○ Many expect the situation to trend sideways for FY24, while more expect increases for FY25.

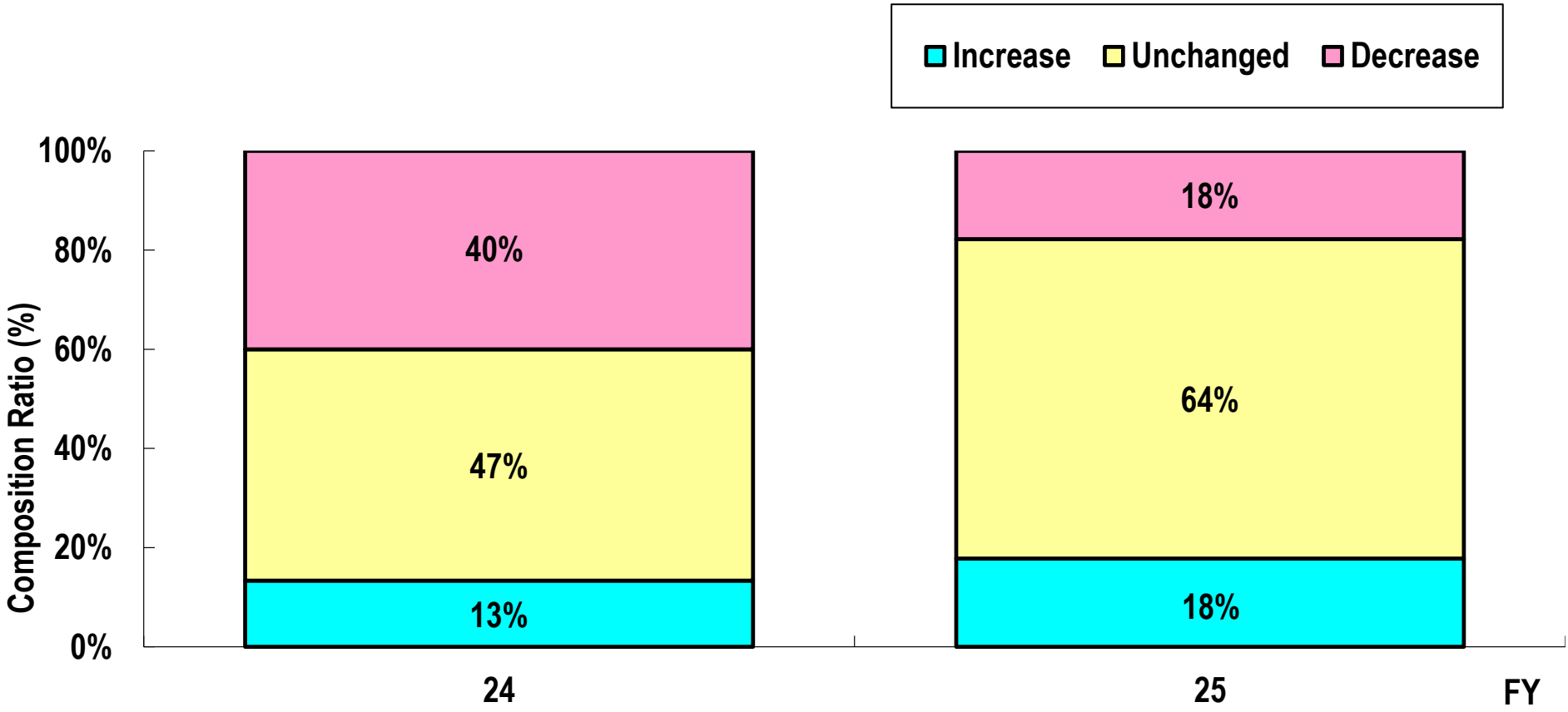


2. Survey Results - Members

(2) Behind overseas demand forecast

② Trend in the European markets

○ Many expect decreases for FY24, while more expect the situation to trend sideways for FY25.

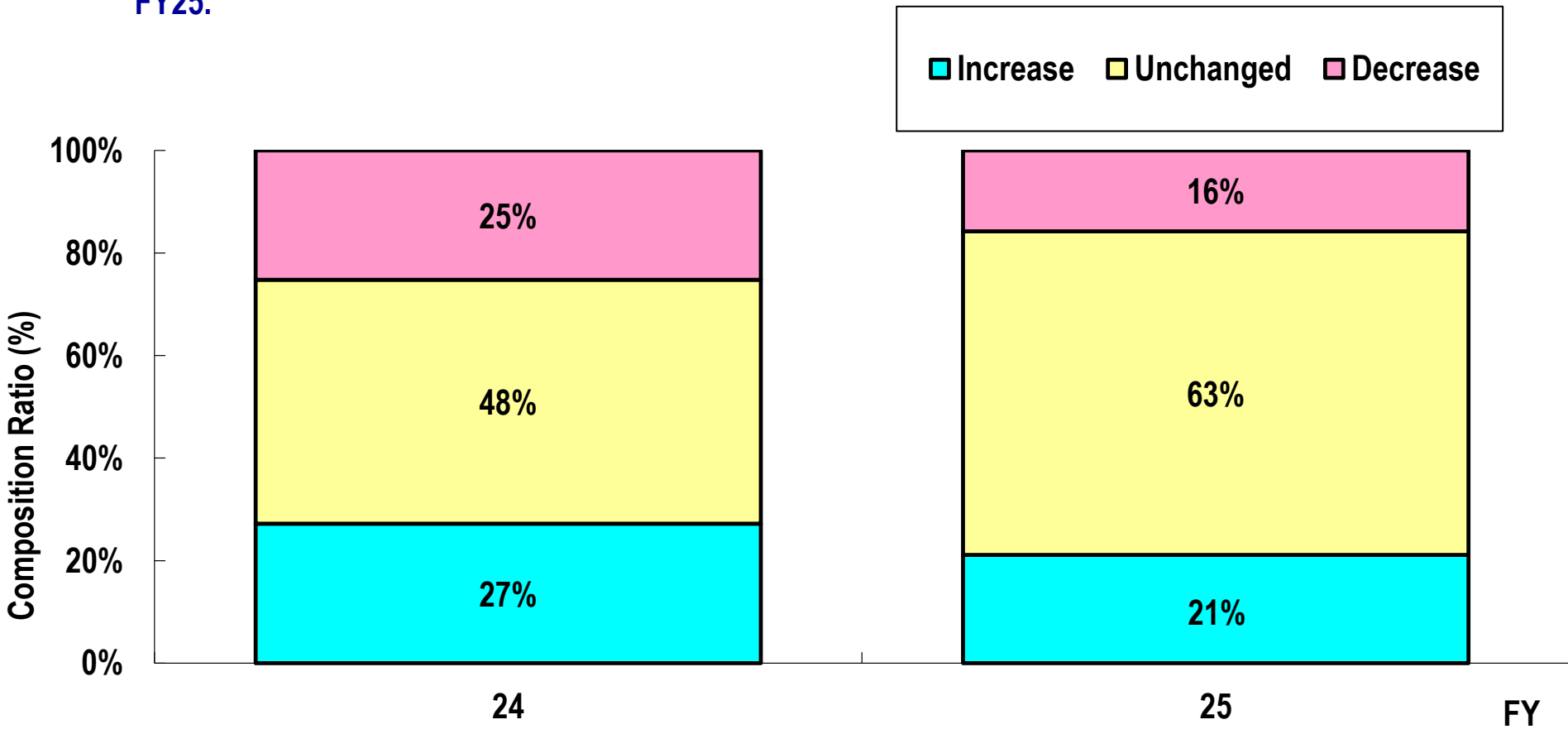


2. Survey Results - Members

(2) Behind overseas demand forecast

③Trend in Asian markets ex. China (including Oceania)

○ Compared to FY24, an increasing number of companies expect the situation to trend sideways in FY25.

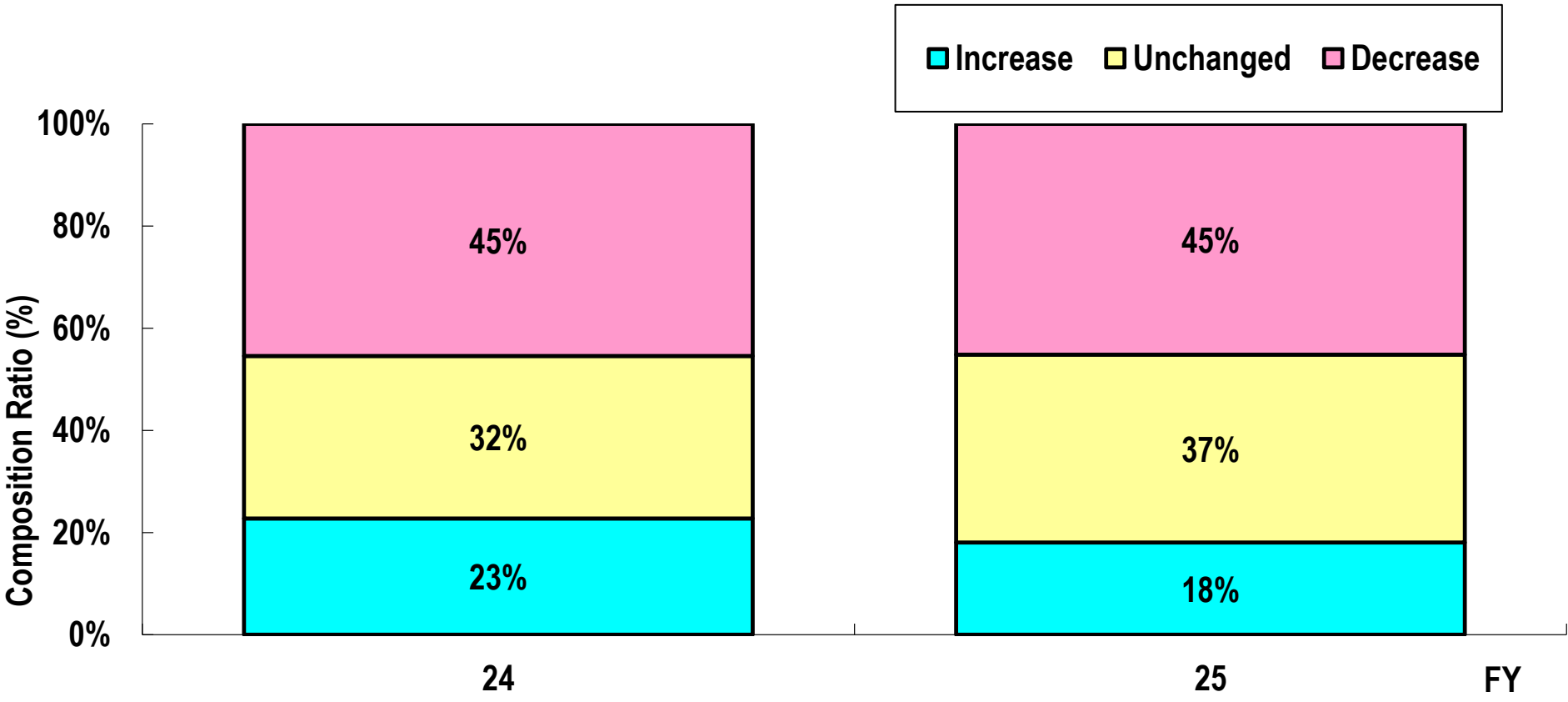


2. Survey Results - Members

(2) Behind overseas demand forecast

④ Trend in the Chinese market

○ The majority expect decreases for both FY24 and FY25, while the number of companies that expect the situation to trend sideways in FY25 is slightly increasing.

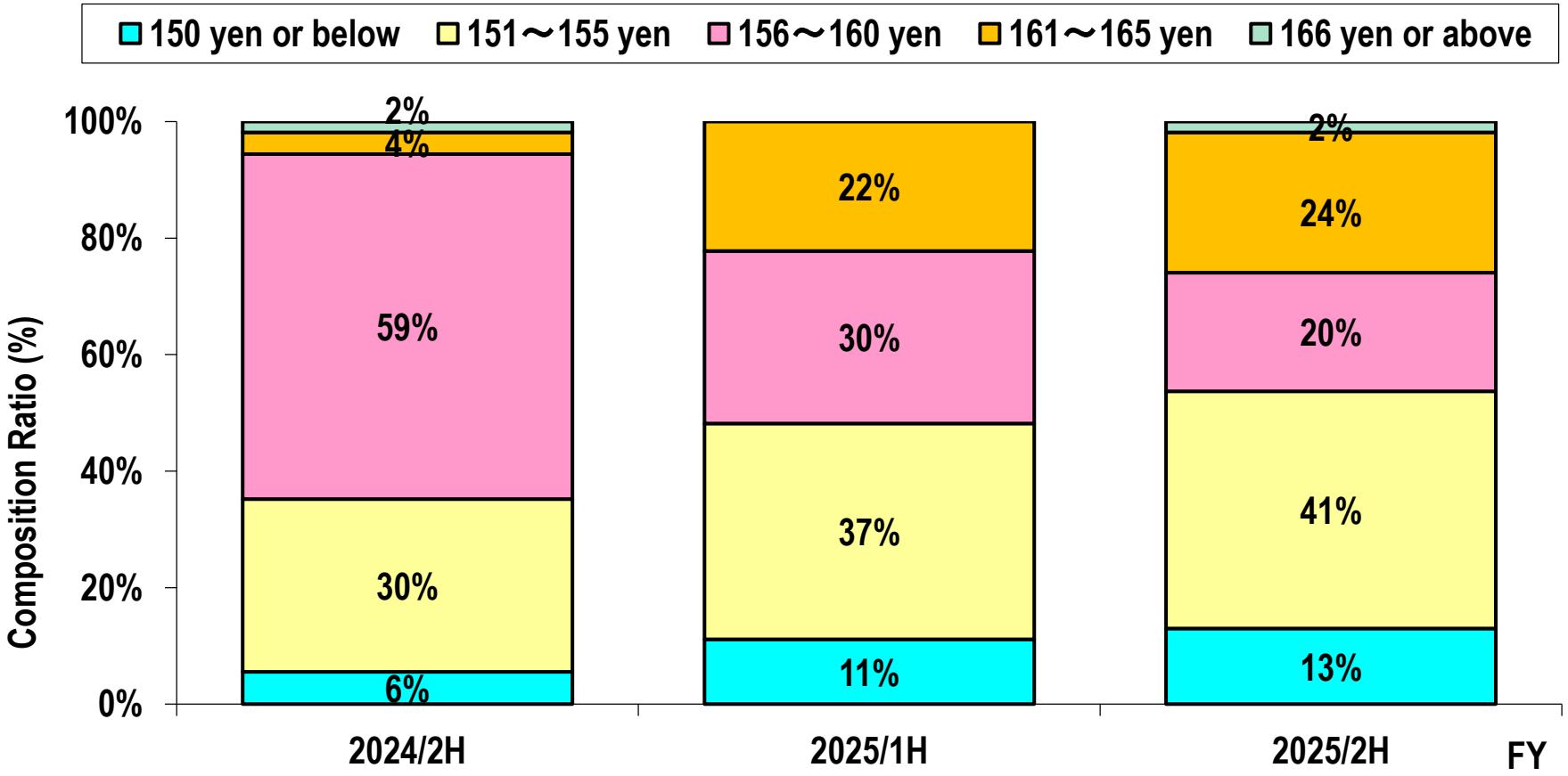


2. Survey Results - Members

(3) Trends in Exchange Rate

① JPY-USD

- About half expect 156-160 yen for 2H FY24.
- More expect the yen's appreciation against the dollar for FY25.

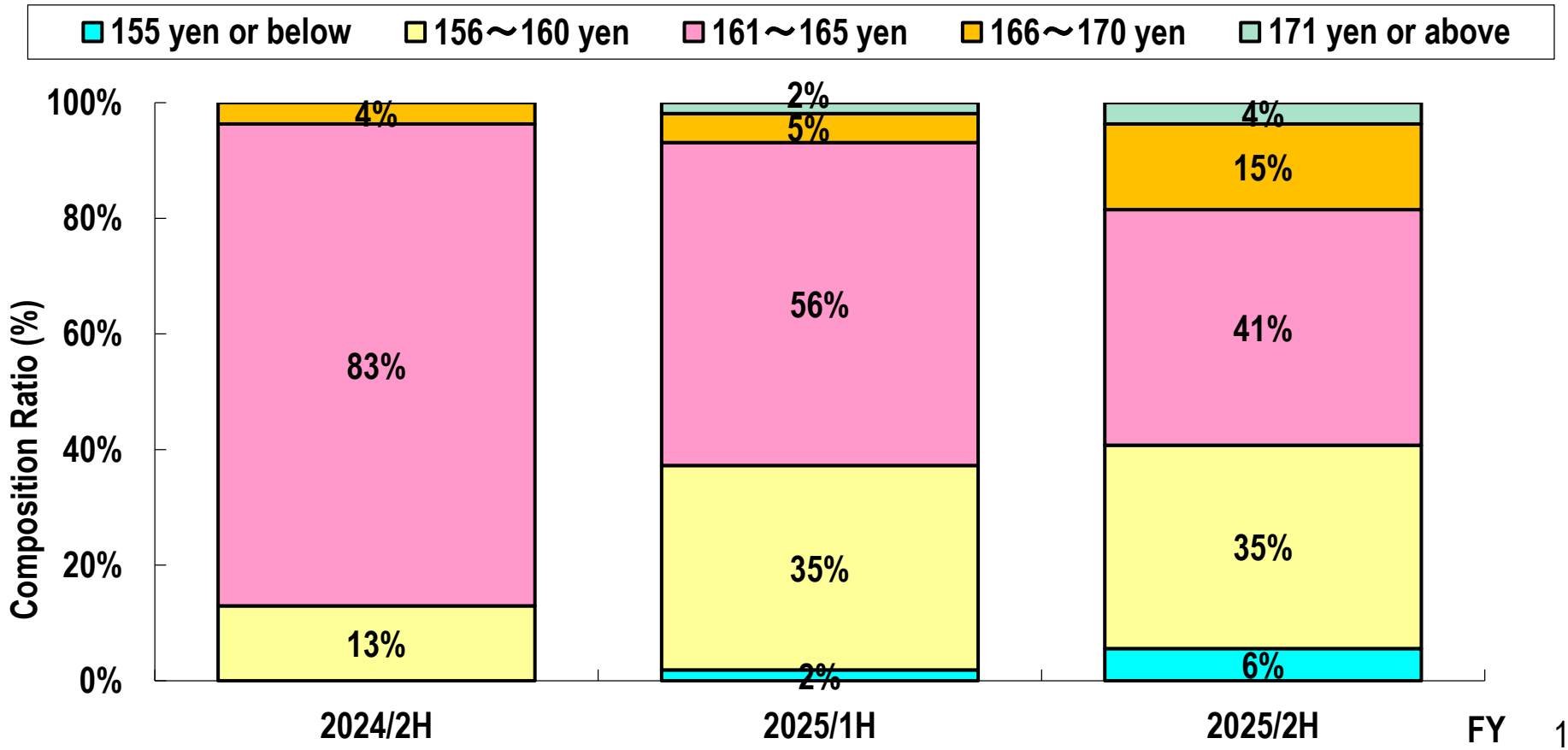


2. Survey Results - Members

(3) Trends in Exchange Rate

② JPY-EUR

- ○ Many expect 161-165 yen for 2H FY24.
- ○ More expect the yen's appreciation against the euro for FY25.



2. Survey Results - Members

(4) Survey Results on Topics

Factors that may affect demand forecast ①

- As factors that positively affect demand, many companies suggested public investment, private capital investment, and trends in exchange rates for domestic, and public investment and private capital investment in addition to trends in exchange rates for overseas.
- On the other hand, as factors that negatively affect demand, many companies suggested the state of resource prices, the state of steel material prices, and the state of logistics costs for domestic. For overseas, many suggested trends in exchange rates, interest rate hikes by central banks, and the Russia/Ukraine issue.

	Positive factors	Negative factors
Domestic market	① Public works projects (125) ② Private capital investment (106) ③ Trends in exchange rate (16)	① State of resource prices (55) ② State of steel material prices (52) ③ State of logistics costs (51)
Overseas markets	① Trends in exchange rate (74) ② Public works projects (72) ③ Private capital investment (61)	① Trends in exchange rate (51) ② Interest rate hikes by central banks (44) ③ Russia-Ukraine issue (41)

– Based on three choices each (in order of priority) for domestic and overseas from the following 12 items made by a respondent as potentially affecting factors on the future market conditions:

1. Public works projects, 2. Private capital investments, 3. Trends in exchange rates, 4. Interest rate hikes by central banks, 5. Russia-Ukraine issue, 6. Container availability, 7. Parts/components availability, 8. State of resource prices, 9. State of logistics costs, 10. State of steel material prices, 11. Inventory at sales outlet, and 12. Others

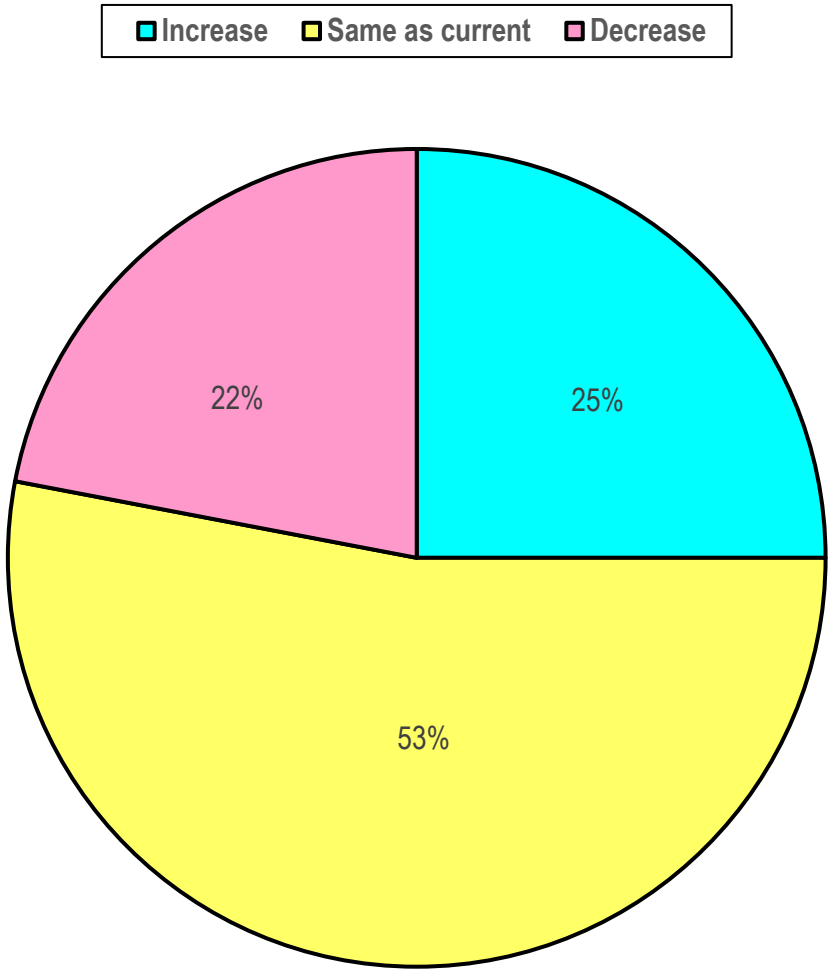
– The choices are numbered (① ② ③) in order of influence, allocating 3 points for ①, 2 points for ② and 1 point for ③.

2. Survey Results - Members

(4) Survey Results on Topics

Factors that may affect demand forecast ②

Impact of the new Trump administration taking office in the U.S. on exports and demand from Japan



*Note: Number of respondents: 53 companies

[Main reasons behind responses]

① Increase

- Expecting an increase in demand in line with public works and capital investment
- Expecting an increase in investment relating to mining and energy within the U.S.

② Same as current

- The movement to return to fossil fuels will have an impact on oil-related projects, which is seen as positive, however the risk of raising tariffs on imported goods is seen as negative. Putting both together, the picture is far from optimistic, and caution is needed.
- At this point in time, on which HS codes will tariffs be raised, and the rate of said tariffs is impossible to predict, so the situation cannot be judged.

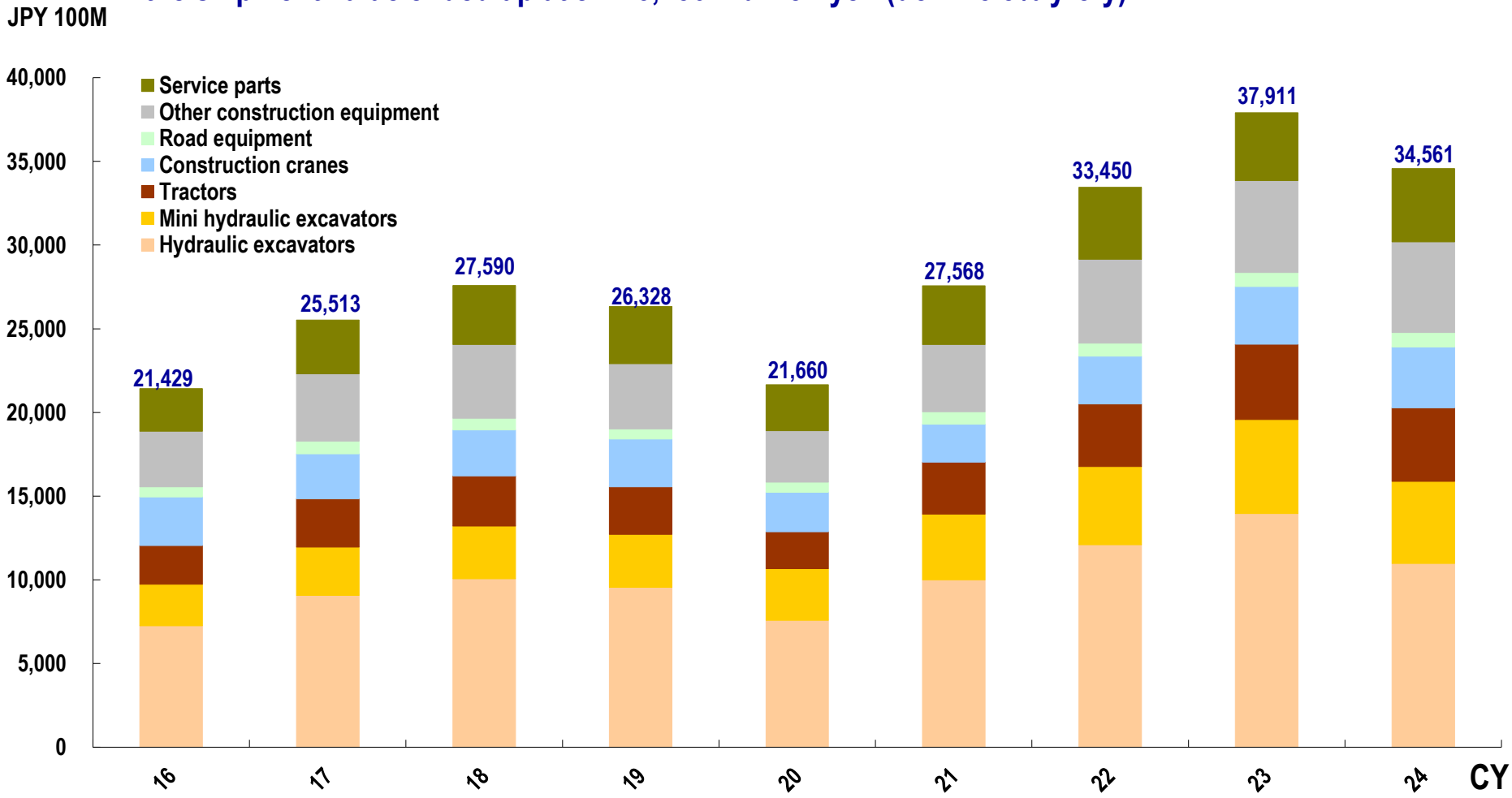
③ Decrease

- Due to the possibility of raising tariffs on imported goods

[For Reference] Actual results shipment value

①Trends by CE type (including service parts): 2016 to 2024 (calendar year)

○ **In 2024, demand decreased for four types of equipment, marking the first decline in two years, and the shipment value ended up at JPY 3,456.1 billion yen (down 8.8% y-o-y).**



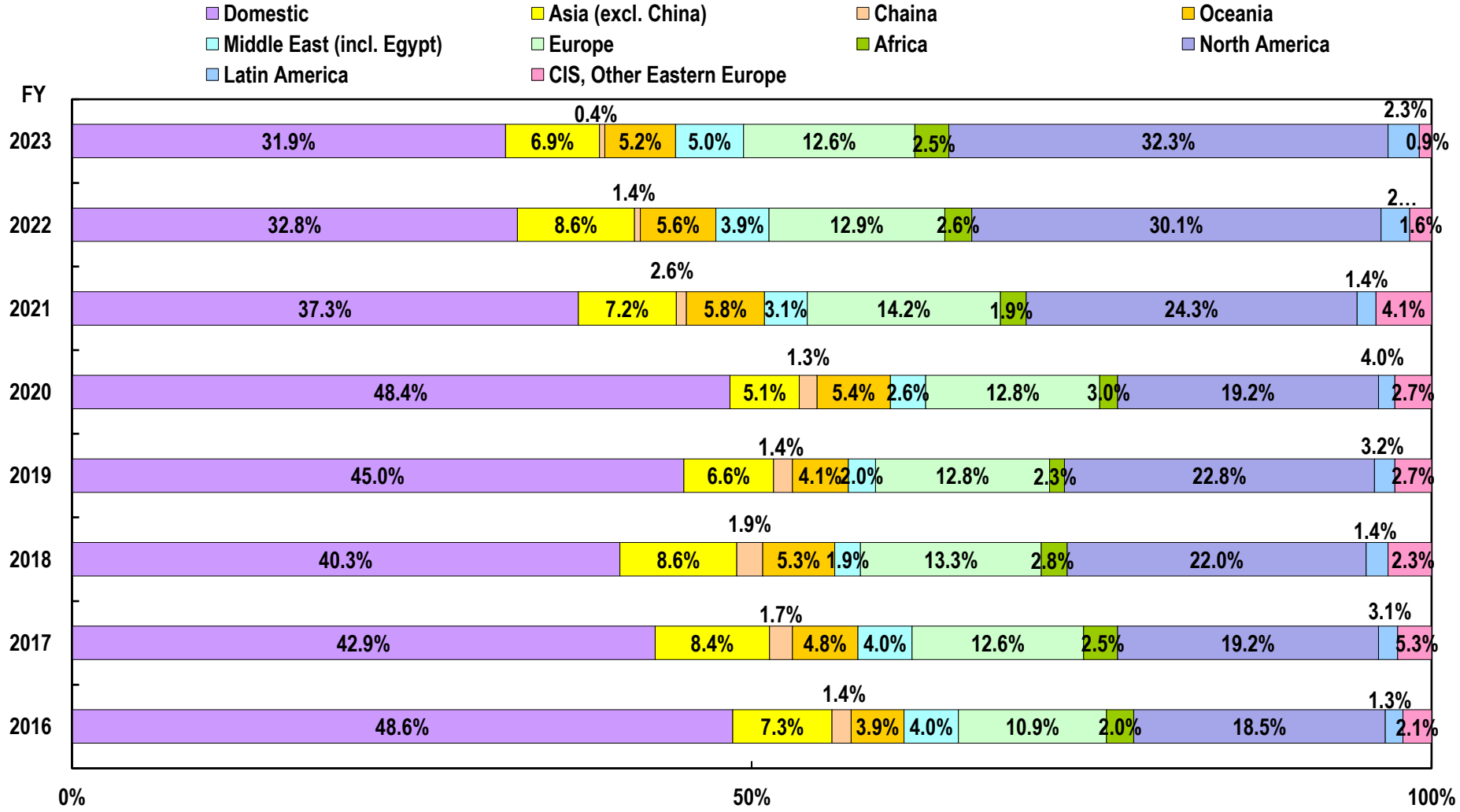
* On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE (including service parts).

Source: Statistics privately compiled by CEMA

[For Reference] Actual results shipment value

② Changes in composition ratio of shipment value by destination: 2016 to 2023

○ **N. America's proportion exceeded 30% in FY23, becoming the largest destination.**



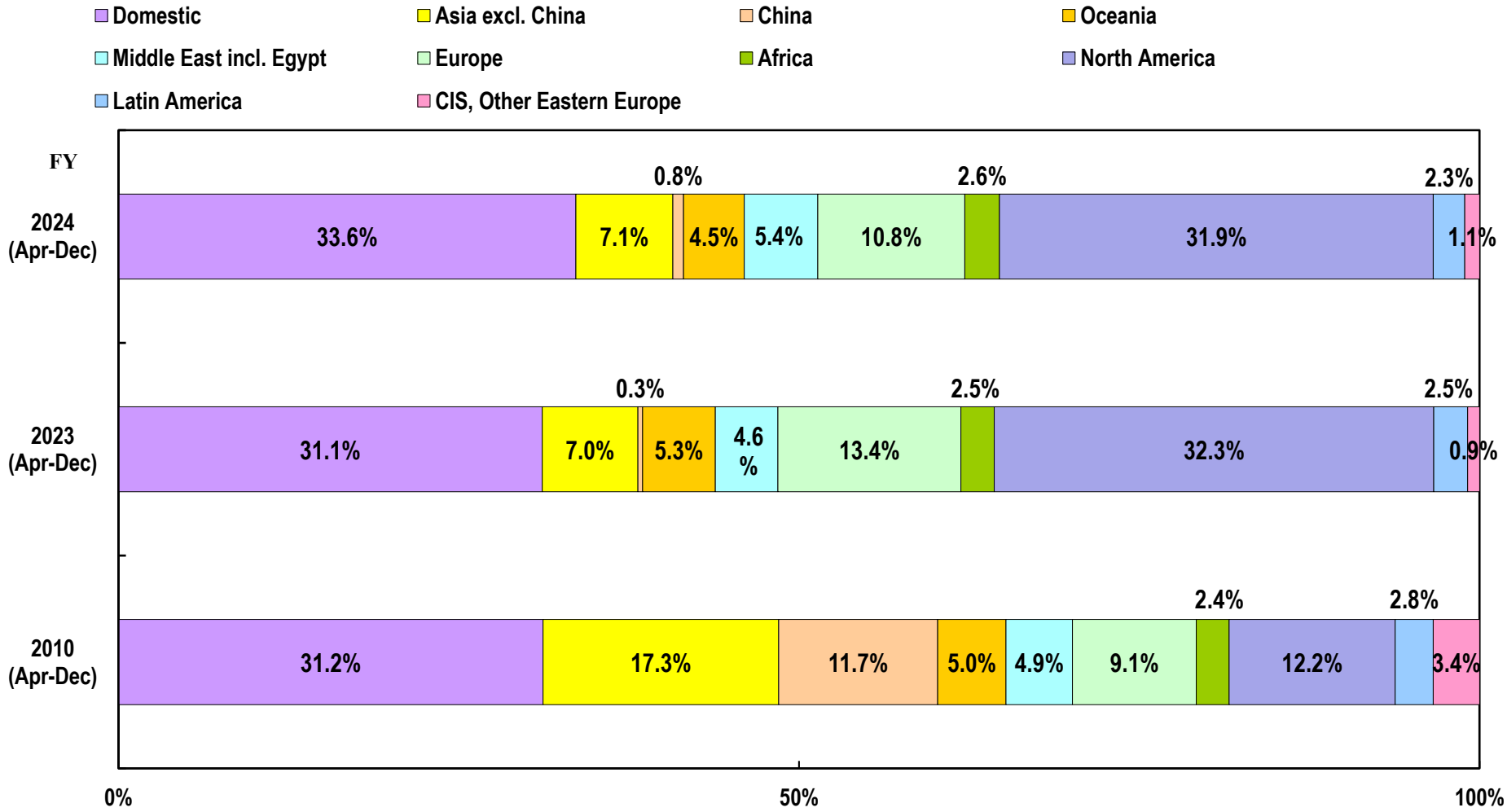
* On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE (excluding components)

Source: Statistics privately compiled by CEMA

[For Reference] Actual results shipment value

③ Changes in composition ratio by destination: Apr-Dec 2024

○ Europe and N. America decrease y-o-y for FY24



*On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE (excluding components)

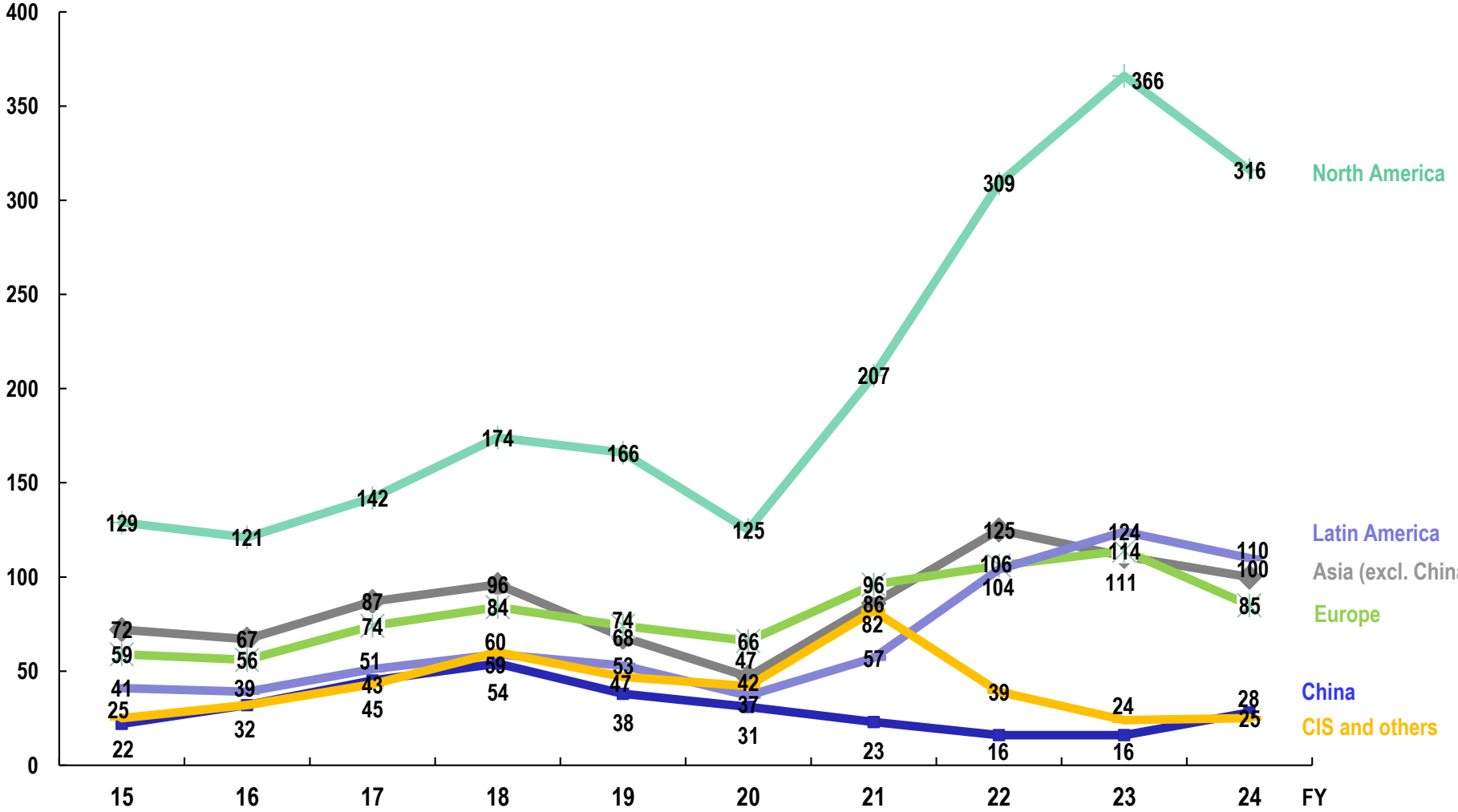
*Apr-Dec 2010 means the same period of the year in which China's proportion was the highest.

Source: Statistics privately compiled by CEMA

[For Reference] Actual results shipment value

④ Changes in index (FY2007=100) by destination

○ Demand has decreased significantly in every region, particularly N. America, but demand in China is on an increasing trend.



*Index for the following 9 types of CE (2007=100): Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE

Note: Figures for FY24 are estimates based on actual data by destination for Apr-Dec. Source: Statistics privately compiled by CEMA

Japan Construction Equipment Manufacturers Association (CEMA)

Chairman's Press Conference

The next demand forecast will be announced on Wednesday, August 6, 2025.

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