August 5, 2026

Press Release

Forecast of Demand for Construction Equipment (August 2026)

Japan Construction Equipment Manufacturers Association (CEMA)

1. General

○ In FY26, domestic demand is forecast to decrease, while export demand is expected to recover, particularly for certain models, with the full-year shipment value forecast to total JPY 3,073.3 billion (±0% year-on-year), in line with the previous year overall.

○ In FY27, although demand for some types of equipment is forecast to recover, the overall recovery is forecast to remain modest, with the full-year shipment value forecast to be JPY 3,099.3 billion (+1% year-on-year).

2. By market (domestic/exports)

(1) Domestic

○ For FY2026, domestic demand is forecast to decrease due to weaker capital investment sentiment amid concerns over rising interest rates and other factors, with shipments of major types of equipment, such as hydraulic excavators and construction cranes, expected to decline.

- In the first half (1H), although shipments of road equipment are projected to increase by 6% year-on-year, shipments of the other eight types of equipment are projected to remain flat or decrease, resulting in a shipment value of JPY 381.4 billion (down 6% year-on-year).
- In the second half (2H), although shipments of construction cranes and road equipment are forecast to increase, shipments of the other seven types of equipment are forecast to remain flat or decrease, resulting in a shipment value of JPY 510.3 billion (±0% year-on-year).
- As a result, the shipment value for the full year of FY2026 is forecast to reach JPY 891.7 billion (down 3% year-on-year), marking the third consecutive annual decrease. (This represents an upward revision of JPY 40.1 billion compared to the previous forecast made in February 2026).

○ For FY2027, domestic demand is forecast to remain broadly flat, supported by stable public investment and other factors.

- In the first half (1H), shipments of six types of equipment are forecast to either increase or remain flat, resulting in a shipment value of JPY 383.0 billion (±0% year-on-year).
- In the second half (2H), shipments of seven types of equipment are forecast to either increase or remain flat, resulting in a shipment value of JPY 516.8 billion (up 1% year-on-year).
- As a result, the shipment value for the full year of FY2027 is forecast to reach JPY 899.8 billion (up 1% year-on-year).

(2) Exports

○ For FY2026, export demand is forecast to increase, supported by steady demand in North America and Europe.

- In the first half (1H), shipments of four types of equipment are projected to increase, including construction cranes (up 7% year-on-year) and hydraulic excavators (up 5% year-on-year), resulting in a shipment value of JPY 1,064.0 billion (up 1% year-on-year).
- In the second half (2H), shipments of four types of equipment, including hydraulic excavators, one of the major types of equipment, are forecast to increase, resulting in a shipment value of JPY 1,117.6 billion (up 1% year-on-year).
- As a result, the shipment value for the full year of FY2026 is forecast to reach JPY 2,181.6 billion (up 1% year-on-year), marking the first annual increase in two years. (This represents an upward revision of JPY 98.7 billion compared to the previous forecast made in February 2026.)

○ For FY2027, as interest rates are expected to stabilize, shipments of mini excavators, tractors, and other types of equipment are forecast to increase, while overall export demand is expected to remain broadly flat.

- In the first half (1H), shipments of five types of equipment are forecast to either increase or remain flat, resulting in a shipment value of JPY 1,068.9 billion (±0% year-on-year).
- In the second half (2H), shipments of seven types of equipment are forecast to either increase or remain flat, resulting in a shipment value of JPY 1,130.6 billion (up 1% year-on-year).
- As a result, the shipment value for the full year of FY2027 is forecast to reach JPY 2,199.5 billion (up 1% year-on-year).

【Outline of Demand Forecast Survey Results】

		FY2026			FY2027		
		1H Projection	2H Forecast	Total Forecast	1H Forecas	2H Forecast	Total Forecast
Domestic	Amount (JPY million)	381,400	510,300	891,700	383,000	516,800	899,800
	Year-on-year (%)	94	100	97	100	101	101
	Year-on-year in the previous forecast (%)	100	100	100	-	-	-
Exports	Amount (JPY million)	1,064,000	1,117,600	2,181,600	1,068,900	1,130,600	2,199,500
	Year-on-year (%)	101	101	101	100	101	101
	Year-on-year in the previous forecast (%)	100	102	101	-	-	-
Total	Amount (JPY million)	1,445,400	1,627,900	3,073,300	1,451,900	1,647,400	3,099,300
	Year-on-year (%)	99	101	100	100	101	101
	Year-on-year in the previous forecast (%)	100	101	101	-	-	-

Note: Service parts are not included.

This material was compiled by CEMA (Chairman: Masafumi Senzaki), based on the results of a demand forecast survey conducted with 60 construction equipment manufacturers that were regular members of CEMA as of July 2026. This 70th survey, conducted in a questionnaire format, covered nine types of construction equipment and asked respondents to forecast domestic shipment values and export values for four semi-annual periods (the first and second halves of FY2026 and FY2027).

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○ For FY2026, export demand is forecast to increase, supported by steady demand in North America and Europe.

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- In the second half (2H), shipments of four types of equipment, including hydraulic excavators, one of the major types of equipment, are forecast to increase, resulting in a shipment value of JPY 1,117.6 billion (up 1% year-on-year).
- As a result, the shipment value for the full year of FY2026 is forecast to reach JPY 2,181.6 billion (up 1% year-on-year), marking the first annual increase in two years. (This represents an upward revision of JPY 98.7 billion compared to the previous forecast made in February 2026.)

○ For FY2027, as interest rates are expected to stabilize, shipments of mini excavators, tractors, and other types of equipment are forecast to increase, while overall export demand is expected to remain broadly flat.

- In the first half (1H), shipments of five types of equipment are forecast to either increase or remain flat, resulting in a shipment value of JPY 1,068.9 billion (±0% year-on-year).
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Forecast of Demand for Construction Equipment

August 5, 2026

Japan Construction Equipment Manufacturers Association (CEMA)

Forecast for FY26

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	51,500	137,400	188,900	82,300	139,900	222,200	133,800	277,300	411,100
	98	95	96	100	100	100	99	97	98
Hydraulic Excavators	113,800	490,500	604,300	148,600	501,300	649,900	262,400	991,800	1,254,200
	94	105	103	96	101	100	95	103	101
Mini Hydraulic Excavators	31,300	184,600	215,900	44,200	215,200	259,400	75,500	399,800	475,300
	97	103	102	98	105	104	98	104	103
Construction Cranes	94,500	67,100	161,600	128,900	74,700	203,600	223,400	141,800	365,200
	89	107	96	106	103	105	98	105	101
Road Equipment	17,000	22,700	39,700	25,300	20,300	45,600	42,300	43,000	85,300
	106	90	96	106	92	99	106	91	98
Concrete Equipment	19,500	500	20,000	17,500	400	17,900	37,000	900	37,900
	100	80	100	100	89	99	100	84	100
Foundation Work	16,000	1,300	17,300	18,700	1,200	19,900	34,700	2,500	37,200
Equipment	95	89	94	96	92	96	95	90	95
Hydraulic Breakers	12,300	4,700	17,000	12,000	5,200	17,200	24,300	9,900	34,200
Hydraulic Crushers	96	108	99	94	106	97	95	107	98
Other Construction Equipment	25,500	155,200	180,700	32,800	159,400	192,200	58,300	314,600	372,900
	95	92	92	98	96	96	97	94	94
Total	381,400	1,064,000	1,445,400	510,300	1,117,600	1,627,900	891,700	2,181,600	3,073,300
	94	101	99	100	101	101	97	101	100

※Furthermore, including service parts (averaging JPY 421.3 billion over the past five years), the total amount for FY2026 will be JPY 3.4946 trillion.

Forecast of Demand for Construction Equipment

August 5, 2026

Japan Construction Equipment Manufacturers Association (CEMA)

Forecast for FY27

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	51,500	138,800	190,300	84,800	141,300	226,100	136,300	280,100	416,400
	100	101	101	103	101	102	102	101	101
Hydraulic Excavators	113,800	490,500	604,300	148,600	506,300	654,900	262,400	996,800	1,259,200
	100	100	100	100	101	101	100	101	100
Mini Hydraulic Excavators	31,600	188,300	219,900	44,600	221,700	266,300	76,200	410,000	486,200
	101	102	102	101	103	103	101	103	102
Construction Cranes	95,400	65,800	161,200	130,200	74,700	204,900	225,600	140,500	366,100
	101	98	100	101	100	101	101	99	100
Road Equipment	18,700	22,200	40,900	28,100	20,300	48,400	46,800	42,500	89,300
	110	98	103	111	100	106	111	99	105
Concrete Equipment	19,700	500	20,200	18,000	400	18,400	37,700	900	38,600
	101	96	101	103	97	103	102	100	102
Foundation Work	14,900	1,200	16,100	17,800	1,200	19,000	32,700	2,400	35,100
Equipment	93	96	93	95	96	95	94	96	94
Hydraulic Breakers	12,200	4,800	17,000	12,200	5,300	17,500	24,400	10,100	34,500
Hydraulic Crushers	99	102	100	102	102	102	100	102	101
Other Construction Equipment	25,200	156,800	182,000	32,500	159,400	191,900	57,700	316,200	373,900
	99	101	101	99	100	100	99	101	100
Total	383,000	1,068,900	1,451,900	516,800	1,130,600	1,647,400	899,800	2,199,500	3,099,300
	100	100	100	101	101	101	101	101	101

※Furthermore, including service parts (averaging JPY 421.3 billion over the past five years), the total amount for FY2027 will be JPY 3.5206 trillion.

Changes in Construction Equipment Shipment Value Statistics (Fiscal Year)　Forecast for August 2026

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	２５	２６Forecast	２７Forecast
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	135,345	134,831	133,800	136,300
	Total	95	79	73	112	121	137	124	98	107	94	97	111	99	91	98	106	131	91	100	99	102
	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	299,403	284,550	277,300	280,100
	Total	126	83	35	209	128	85	93	112	69	86	141	116	73	93	168	132	103	102	95	97	101
	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	434,748	419,381	411,100	416,400
		118	82	43	174	127	96	103	107	82	90	120	108	83	92	135	123	111	99	97	98	101
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	269,883	275,867	262,400	262,400
	Total	108	67	50	139	143	130	140	80	88	100	107	100	104	105	103	105	102	82	102	95	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	781,896	963,484	991,800	996,800
	Total	122	83	55	201	116	74	93	107	84	106	132	117	78	82	151	131	105	77	123	103	101
	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	1,051,779	1,239,351	1,254,200	1,259,200
		117	78	54	186	121	85	108	96	85	104	124	112	85	89	133	123	104	79	118	101	100
Mini Hydraulic Excavator	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	78,905	77,375	75,500	76,200
	Total	100	61	63	137	136	124	120	120	105	72	109	106	96	101	100	98	108	87	98	98	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	371,359	384,218	399,800	410,000
	Total	115	52	54	190	125	96	115	120	102	107	119	109	100	99	144	124	118	78	104	104	103
	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	450,264	461,593	475,300	486,200
		110	55	57	170	128	105	117	120	103	93	116	108	99	99	132	118	117	79	103	103	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	228,063	227,815	223,400	225,600
	Total	116	89	55	99	128	116	133	114	109	105	93	97	104	86	99	114	110	108	100	98	101
	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	140,677	135,180	141,800	140,500
	Total	135	117	47	98	118	106	139	118	90	60	98	122	102	60	142	130	147	102	96	105	99
	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	368,740	362,995	365,200	366,100
		123	100	51	99	124	112	136	116	101	88	94	103	103	78	109	119	122	106	98	101	100
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	35,185	39,934	42,300	46,800
	Total	102	80	78	129	112	124	118	102	101	91	106	92	112	100	97	95	106	89	114	106	111
	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	53,170	47,302	43,000	42,500
	Total	136	91	51	137	113	88	111	109	94	82	141	87	66	102	166	115	112	115	89	91	99
	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	88,355	87,236	85,300	89,300
		120	86	61	133	112	105	115	105	98	87	121	90	91	101	121	105	109	103	99	98	105
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	35,729	37,008	37,000	37,700
	Total	107	69	87	78	137	118	150	109	105	97	100	97	109	102	104	94	116	101	104	100	102
	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	1,228	1,070	900	900
	Total	145	53	47	112	124	121	124	105	129	74	94	59	138	65	130	114	136	74	87	84	100
	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	36,957	38,078	37,900	38,600
		110	67	83	80	136	118	149	109	106	95	99	95	110	100	104	95	117	99	103	100	102
Foundation Work Equipr	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	38,571	36,405	34,700	32,700
	Total	137	92	82	95	106	118	137	107	109	111	100	111	94	88	96	108	105	99	94	95	94
	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	1,699	2,770	2,500	2,400
	Total	172	127	93	121	122	113	81	90	112	181	85	82	113	104	94	77	81	59	163	90	96
	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	40,270	39,175	37,200	35,100
		139	95	84	98	108	117	128	105	109	117	98	92	96	110	96	104	103	96	97	95	94
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	27,601	25,676	24,300	24,400
	Total	104	71	54	130	157	105	120	114	98	105	105	103	101	93	118	107	108	106	93	95	100
	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	8,842	9,249	9,900	10,100
	Total	113	74	61	148	79	88	99	121	106	84	120	111	86	72	165	116	80	94	105	107	102
	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	36,443	34,925	34,200	34,500
		108	72	58	139	114	98	113	116	100	98	109	106	96	87	129	110	99	103	96	94	101
Other Construction Equip	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	66,708	60,327	58,528	57,700
	Total	94	95	78	89	152	80	121	108	107	120	89	96	102	95	100	113	87	96	90	88	99
	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	369,430	334,789	350,208	316,200
	Total	125	91	59	178	107	79	85	92	95	105	143	108	76	76	178	127	111	102	91	95	101
	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	436,138	395,116	408,736	373,900
		117	92	63	155	113	79	92	96	99	110	125	105	82	82	152	124	106	101	91	94	100
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	915,990	915,238	891,700	899,800
	Total	106	76	61	114	134	120	132	98	101	98	100	101	102	96	101	106	107	93	100	97	101
	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	2,027,704	2,162,612	2,181,600	2,199,500
	Total	123	83	51	184	117	80	97	108	86	98	130	112	81	84	155	128	110	87	107	101	101
	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	2,943,694	3,077,850	3,073,300	3,099,300
		117	81	54	160	121	91	110	104	92	98	117	108	89	89	131	121	109	88	105	100	101
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	151,418	154,605		
	Total	97	89	100	100	110	103	112	104	100	101	99	100	105	101	106	104	104	106	102		
	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	300,721	289,223		
	Total	117	100	79	154	114	88	94	115	92	91	145	115	84	75	163	115	93	114	96		
	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	452,139	443,828		
		108	95	87	129	112	93	101	110	95	95	124	109	91	85	137	111	97	111	98		
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	1,067,408	1,069,843		
	Total	105	78	66	112	130	118	129	98	101	99	100	101	103	97	101	106	107	94	100		
	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	2,328,425	2,451,835		
	Total	123	84	53	180	116	81	97	109	87	97	132	113	82	83	156	127	108	89	105		
	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	3,395,833	3,521,678		
		116	82	57	156	120	92	109	104	93	98	118	108	89	89	132	119	108	91	104		

Japan Construction Equipment Manufacturers Association (CEMA)

Chairman's Press Conference

— Forecast of Demand for Construction Equipment (CE) —

(Published in August 2026)

August 5, 2026

Masafumi Senzaki , CEMA Chairman

● Program

1. Opening declaration by PR Committee Chairman Omata at 10:30
2. Reporting by CEMA Masafumi Senzaki at 10:35 - 11:00
   - Forecast of Demand for Construction Equipment (on a shipment basis)
   - Others at 11:00～11:05
. Q&A at 11:05 - 11:30
4. Closing declaration by PR Committee Chairman Omata at 11:30

[Outline of CEMA Demand Forecast]

- Published in February and August every financial year. This is the 70th.
- Scope of survey: 60 CE manufacturers with CEMA regular member status
- Date of survey: As of June 2026
- Period for survey : Four periods consisting of the first and second halves of FY 2026 and the first and second halves of FY 2027
- 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 February 18, 2027.)

[Contents of Chairman's Press Conference]

I. Demand Forecast

1. Demand Forecast for FY26/27

(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 rates

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): 2018–2025

② Changes in composition ratio by destination: 2018–2025

③ Changes in composition ratio by destination: Apr–Jun 2026

④ Changes in index (FY2007=100) by destination

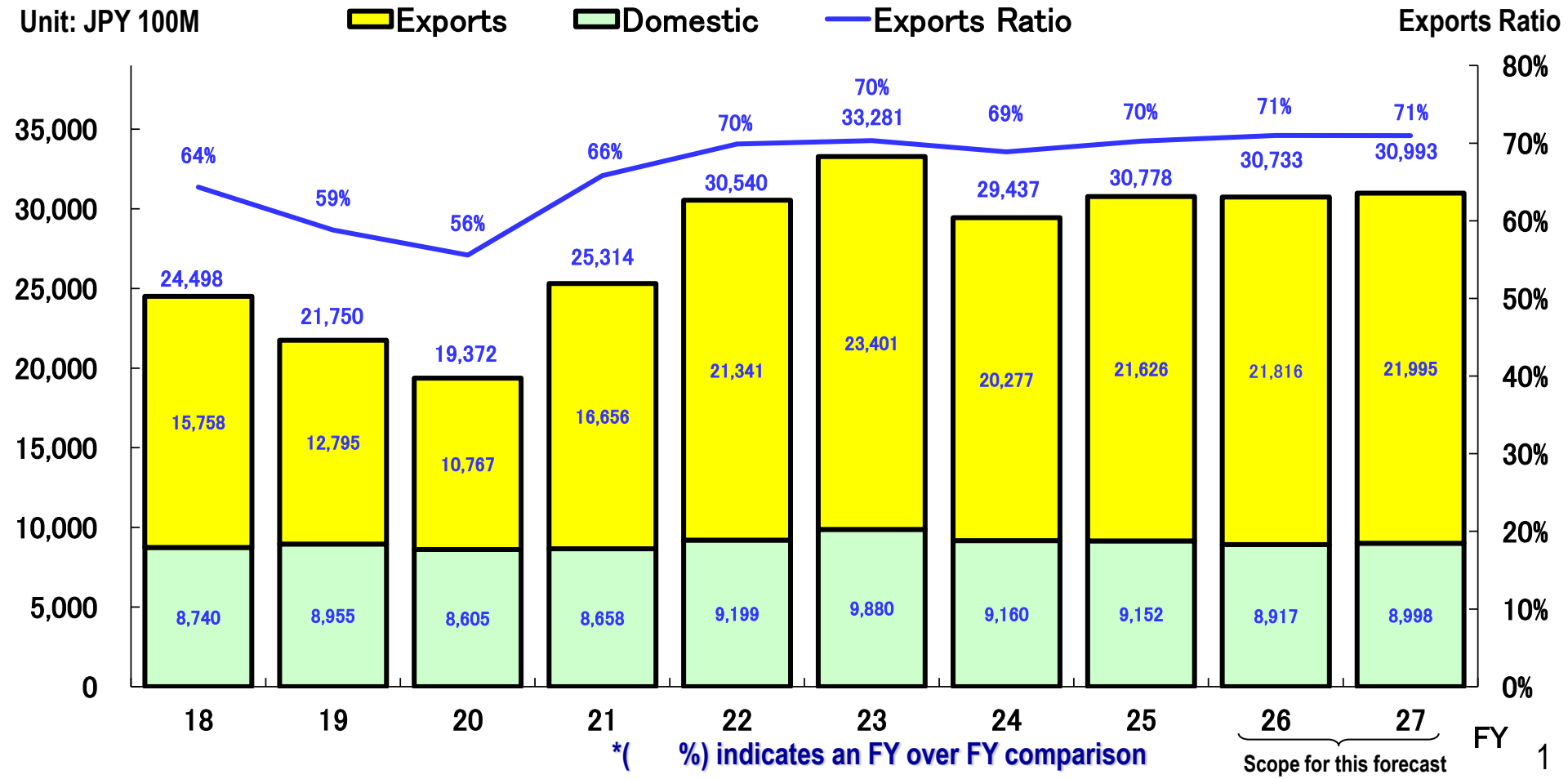
II. Others

1. Requests toward achieving carbon neutrality

1. Demand Forecasts for FY 26/27 (1) Shipment Value Basis

① FY over FY comparison

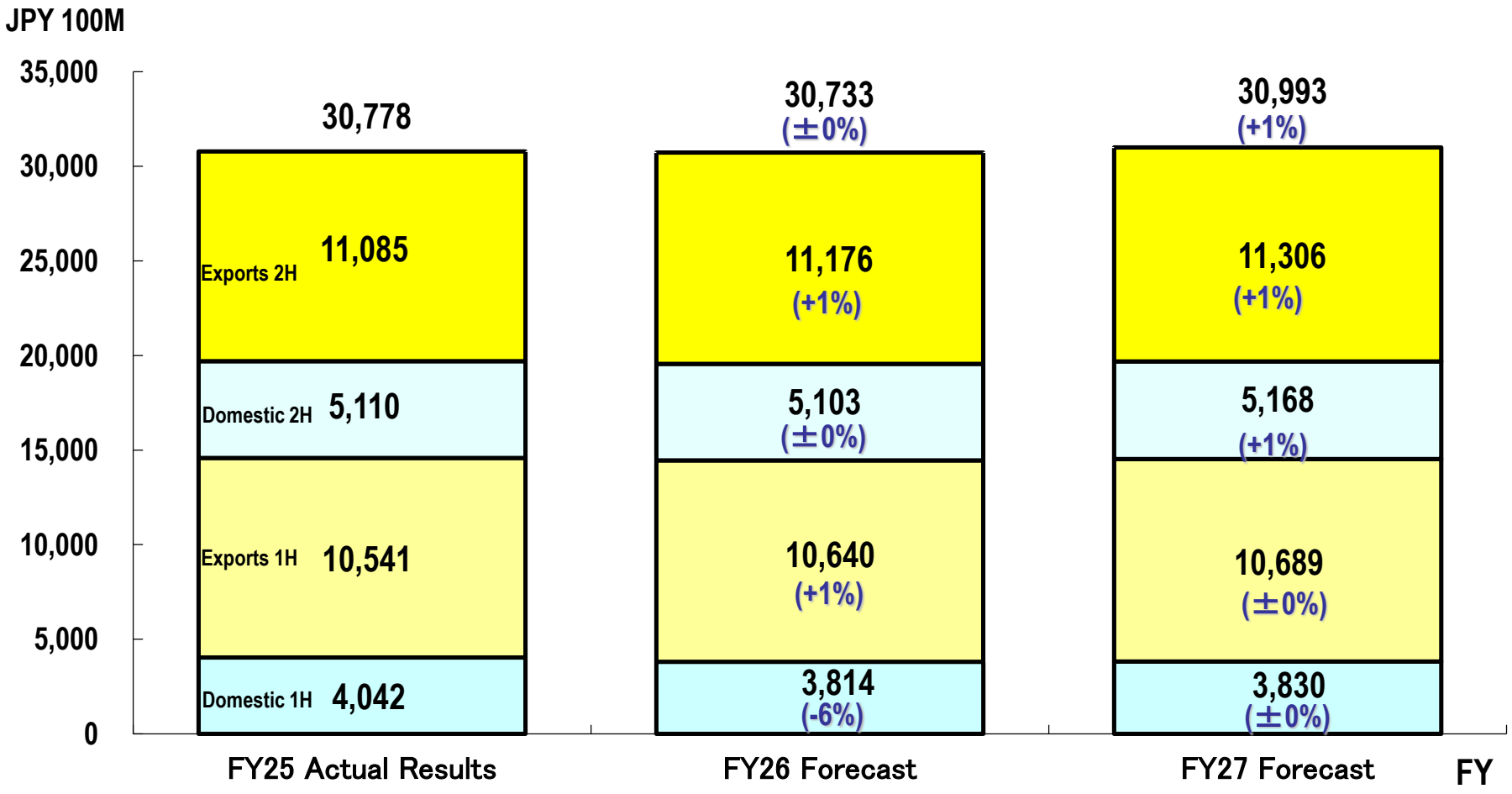
- In FY26, domestic demand is forecast to decrease, while export demand is expected to recover, particularly for certain models, with the full-year shipment value forecast to total JPY 3,073.3 billion (±0% year-on-year), in line with the previous year overall.
- In FY27, although demand for some types of equipment is forecast to recover, the overall recovery is forecast to remain modest, with the full-year shipment value forecast to be JPY 3,099.3 billion (+1% year-on-year)



1. Demand Forecasts for FY 26/27 (1) Shipment Value Basis

② Half year vs previous half year comparison

- In FY26, domestic demand is forecast to decrease in the 1H and remain flat in the 2H, while export demand is forecast to increase in both the 1H and the 2H.
- In FY27, both domestic and export demand are forecast to remain flat in the 1H and increase in the 2H.

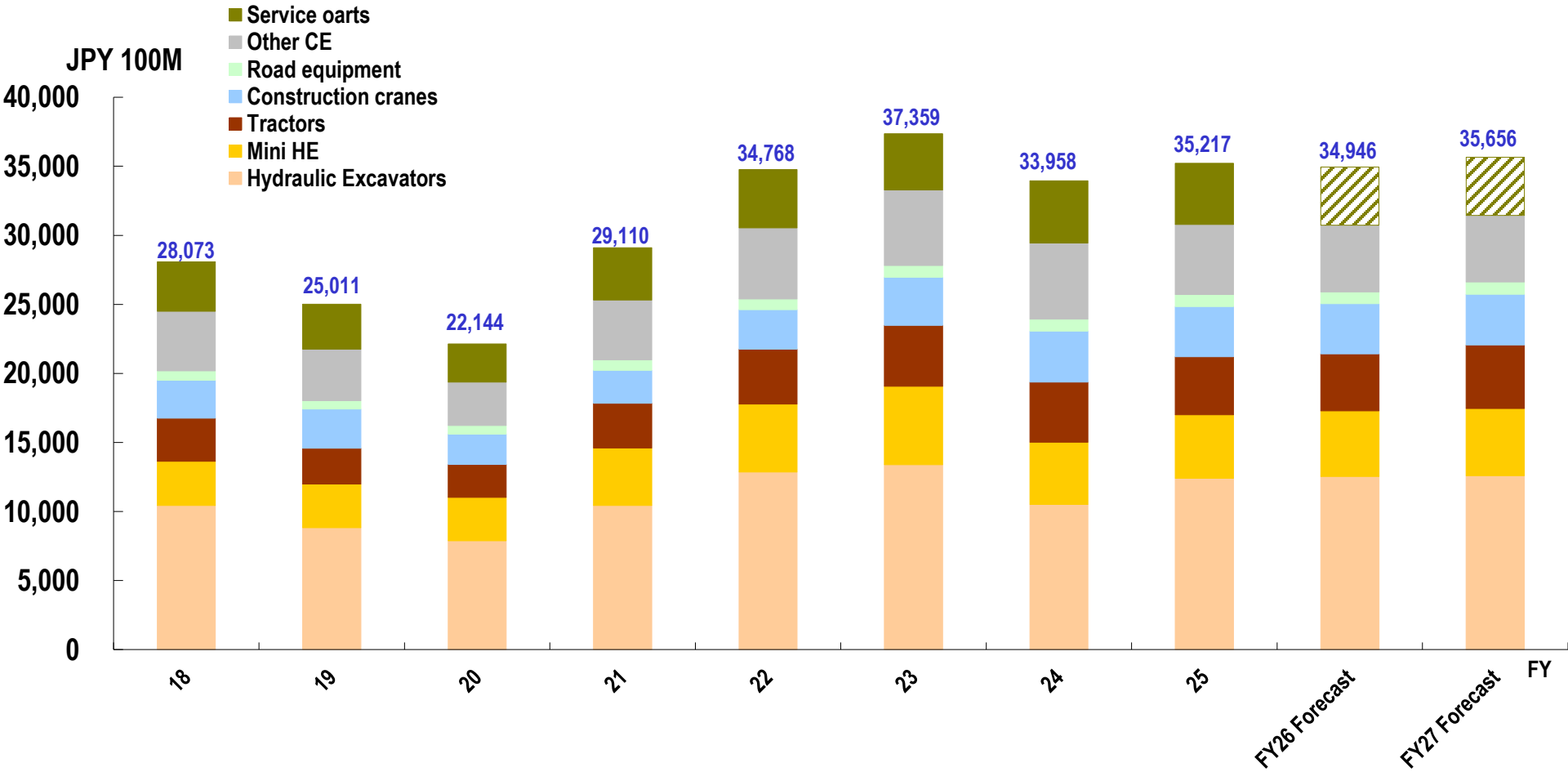


*(%) indicates an FY over FY comparison

1. Demand Forecasts for FY 26/27(1) Shipment Value Basis

③ Trends by CE type (including service parts)

- In FY26, demand is expected to increase for three types of equipment out of nine in total.
- In FY27, demand is expected to increase for eight types of equipment out of nine in total.



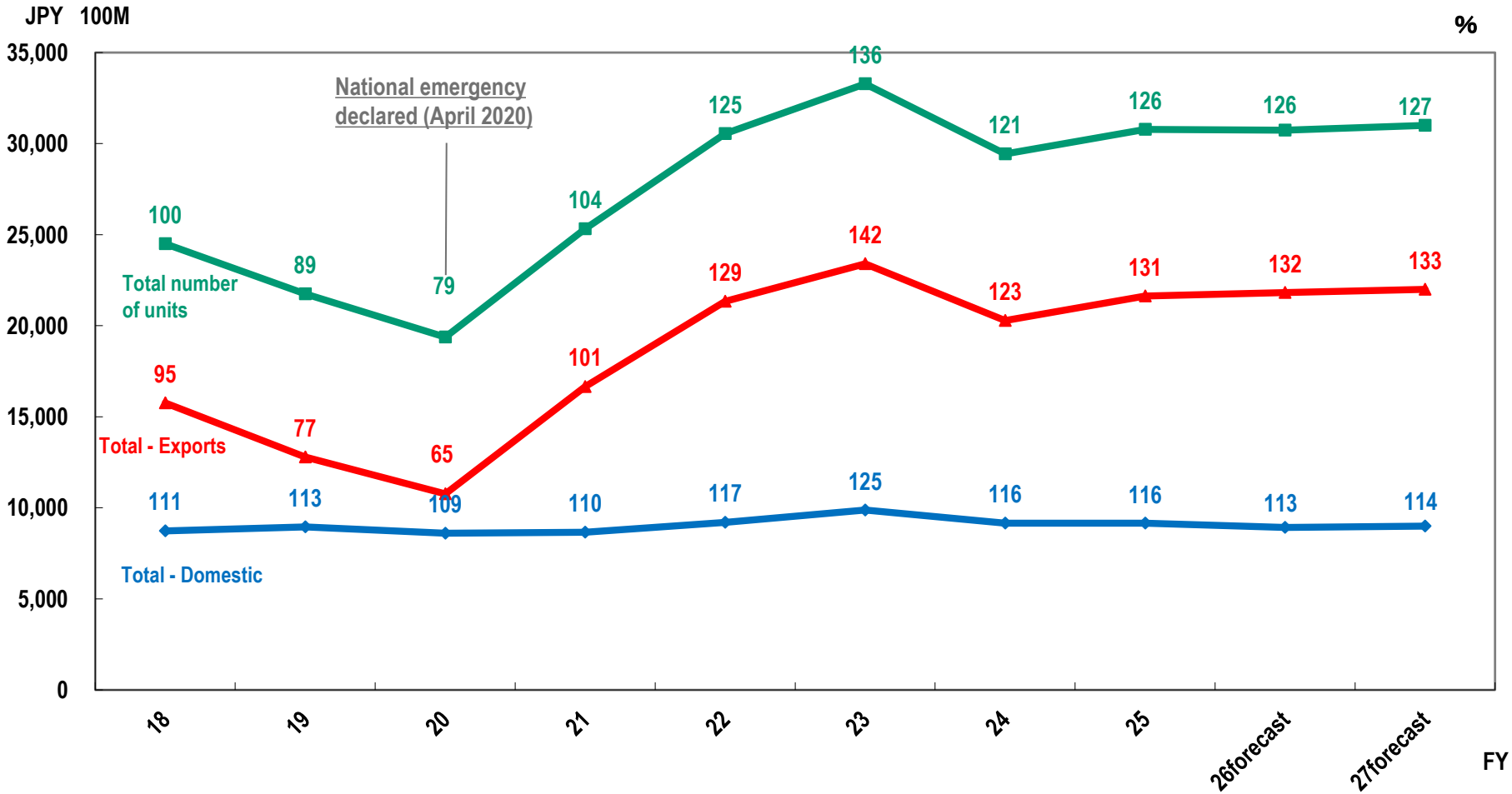
*On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE. However, the forecast of service parts for FY26 and FY27 are the average amount over the past 5 years (JPY 421.3 B)

Source: Statistics privately compiled by CEMA

1. Demand Forecasts for FY 26/27(1) Shipment Value Basis

④ Changes by market (Domestic/Exports)

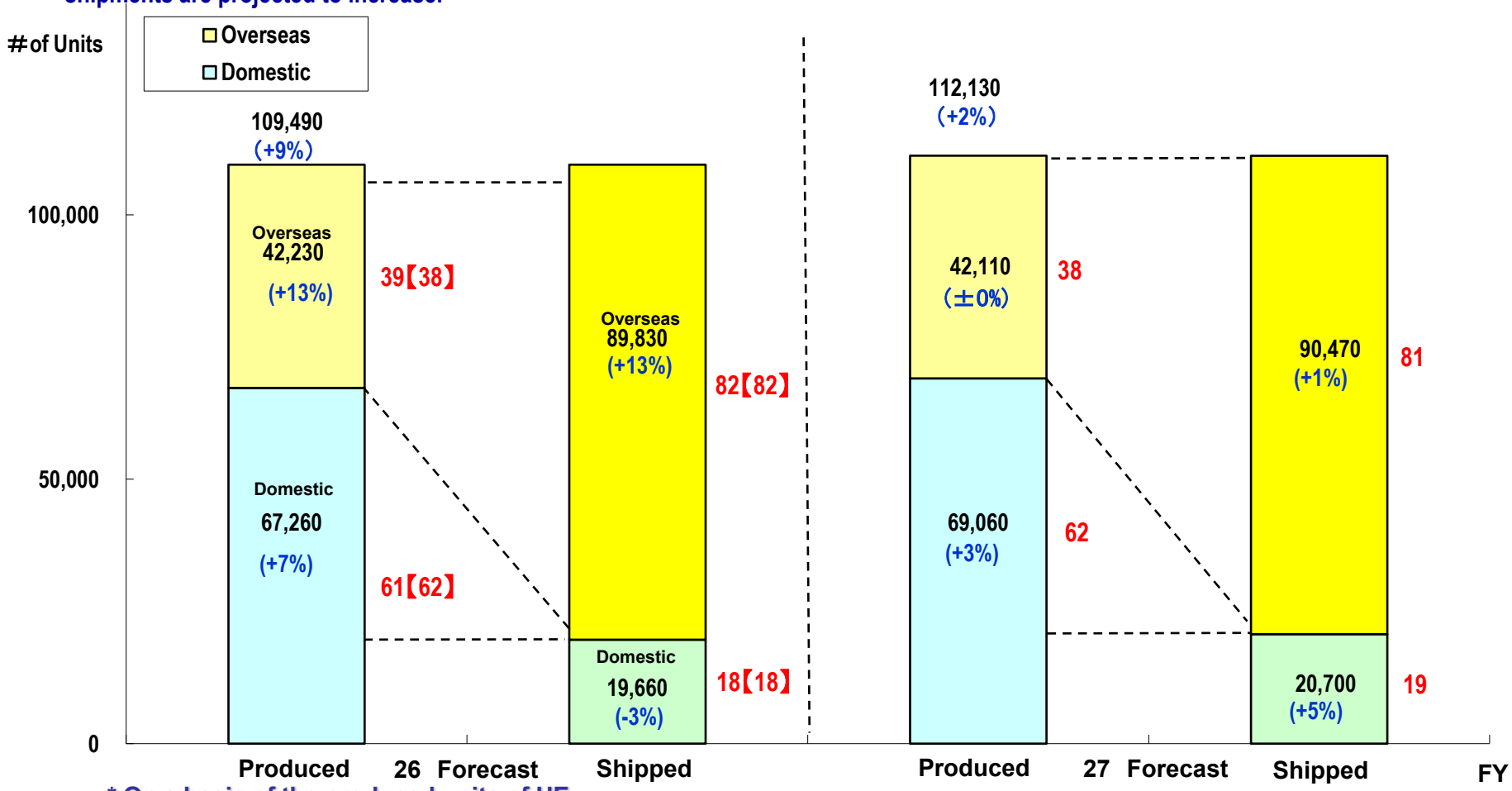
○ In FY26, domestic demand forecast to decrease, while export demand is forecast to increase. In FY27, both domestic and export demand are forecast to decrease



*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 FY26/27 (2) Unit Number Basis
① Hydraulic Excavators

- In FY26, production is expected to increase in both domestic and overseas markets, while shipments will increase overseas but decrease domestically.
- In FY27, overseas production is projected to increase, while domestic production is expected to remain flat. Both domestic and overseas shipments are projected to increase.

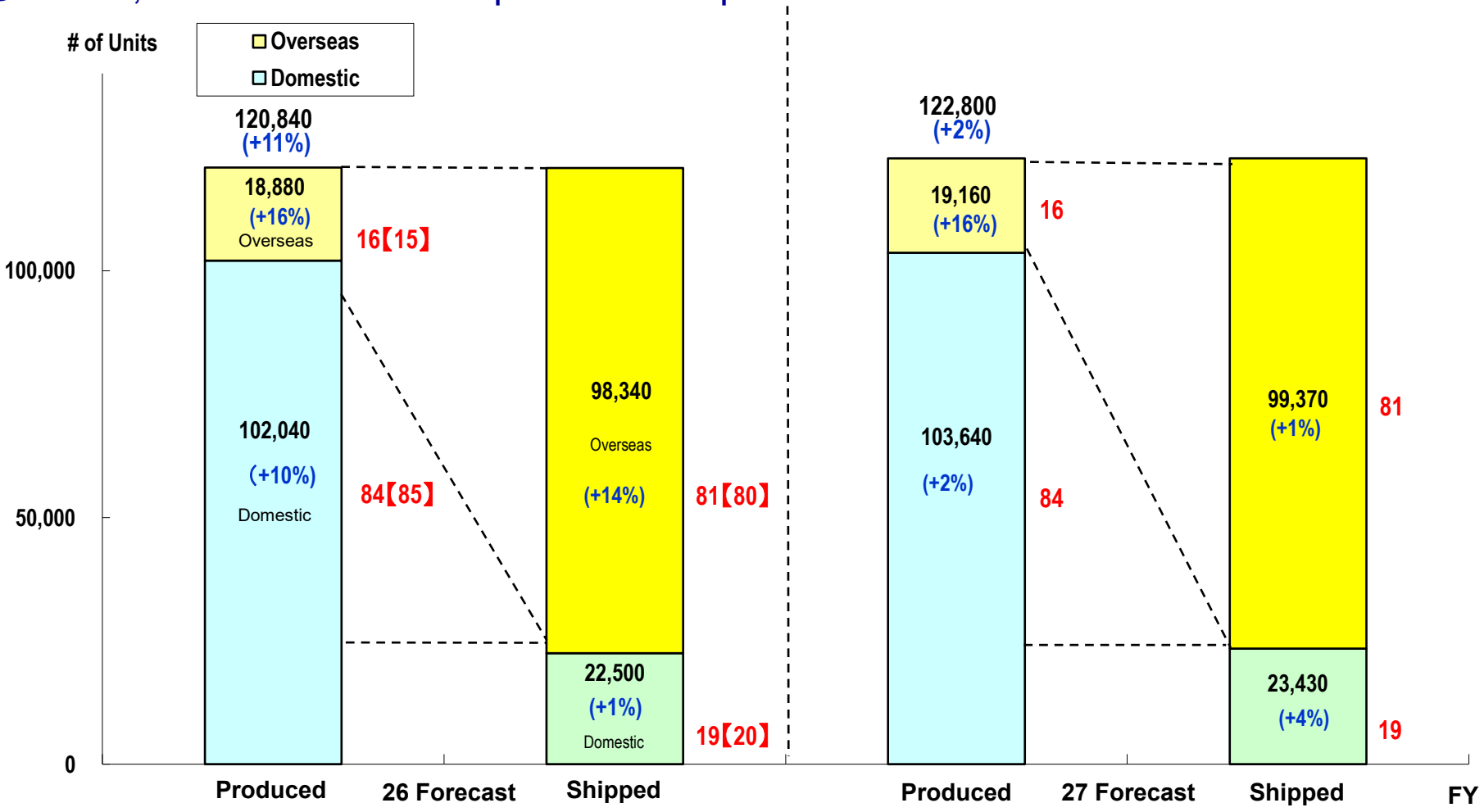


* On a basis of the produced units of HE
* Figures in red indicate domestic-overseas ratios. In 【 】 are projections as of February. In ( ) are FY over FY comparisons.
Source: Research by CEMA

1. Demand Forecast for FY26/27 (2) Unit Number Basis

② Mini HE

- In FY26, both domestic and overseas production and shipments increased.
- In FY27, both domestic and overseas production and shipments increased.



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

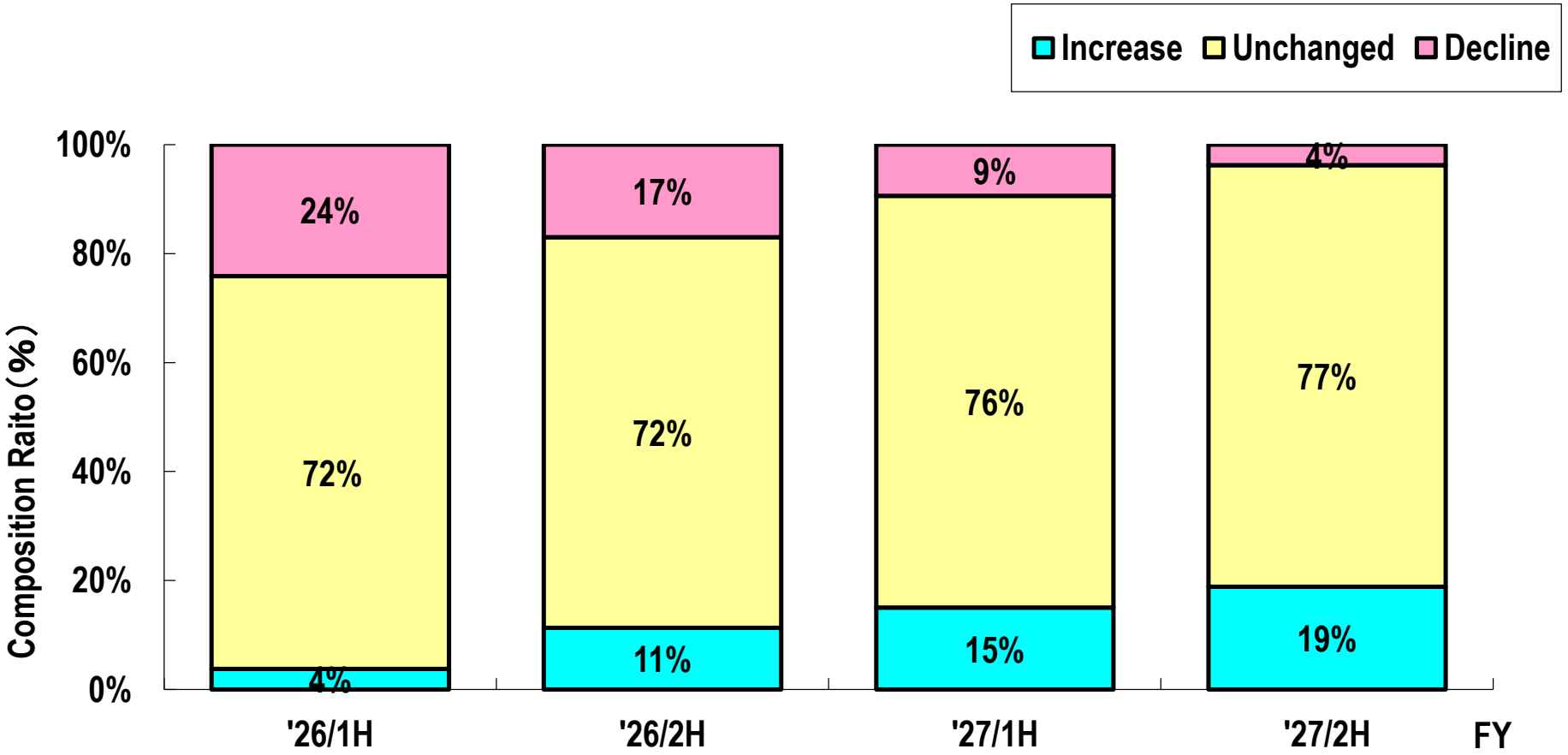
Source: Research by CEMA

2. Survey Results - Members

(1) Behind domestic demand forecast

① Public works projects

○ While most forecasts indicate flat growth in both FY26 and FY27, an increasing number of forecasts point to growth toward FY27.

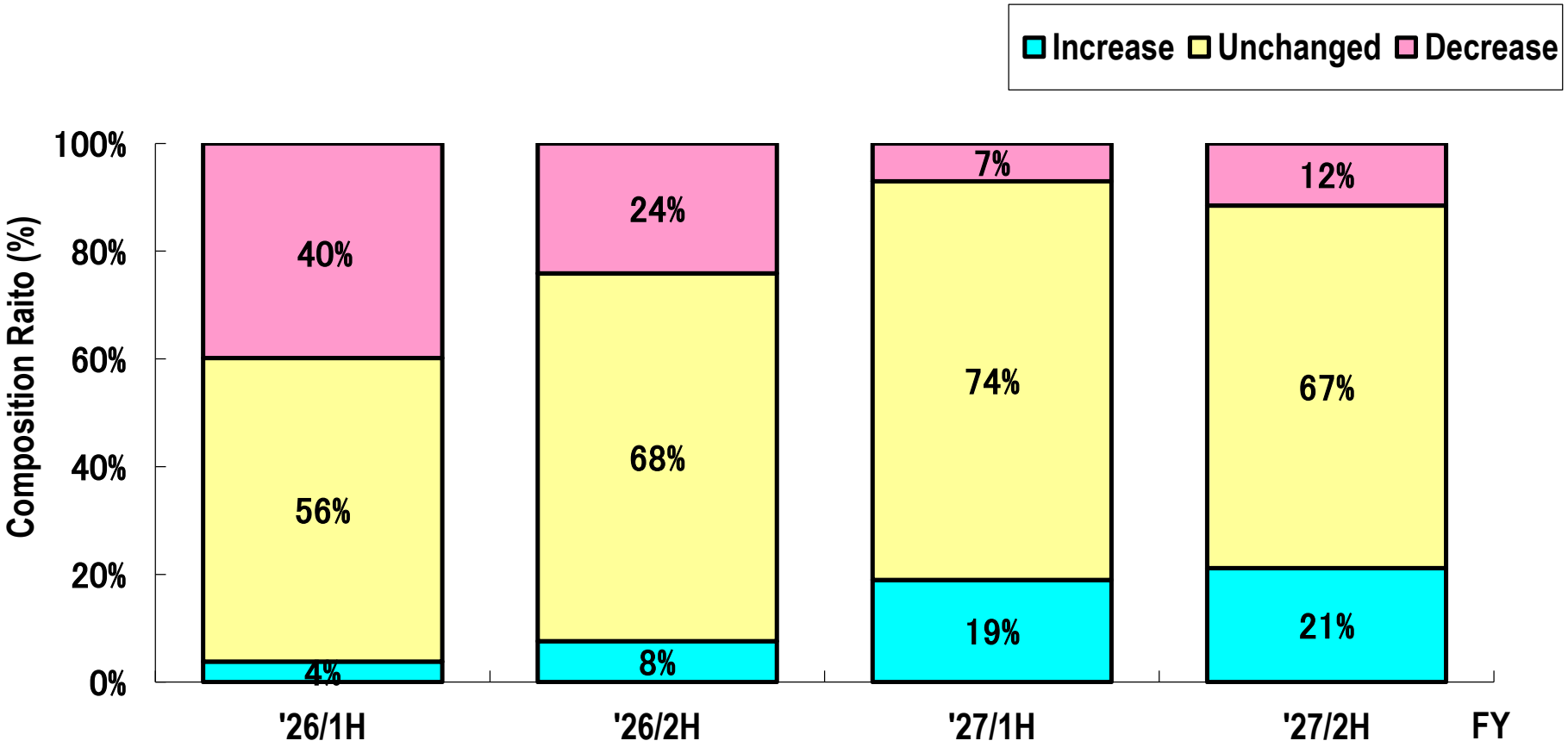


2. Survey Results - Members

(1) Behind domestic demand forecast

② Private capital investments

○ While most forecasts indicate flat growth in both FY26 and FY27, an increasing number of forecasts point to growth toward FY27.

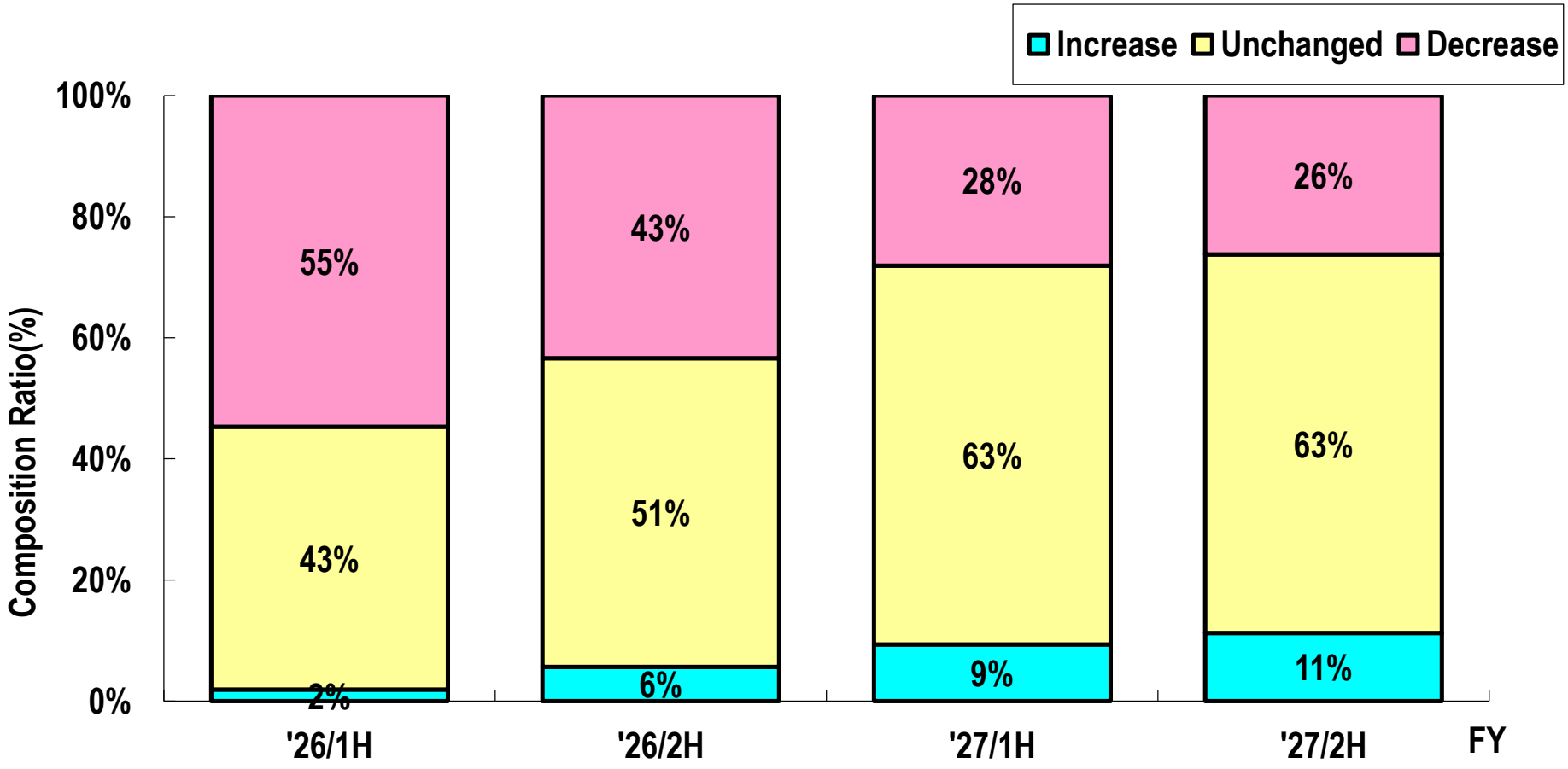


2. Survey Results - Members

(1) Behind domestic demand forecast

③ Housing investments

○ In FY2026, forecasts of a decrease and flat growth are nearly evenly split in both the first and second halves compared with FY2025, while significantly fewer forecasts point to a decrease in FY2027.

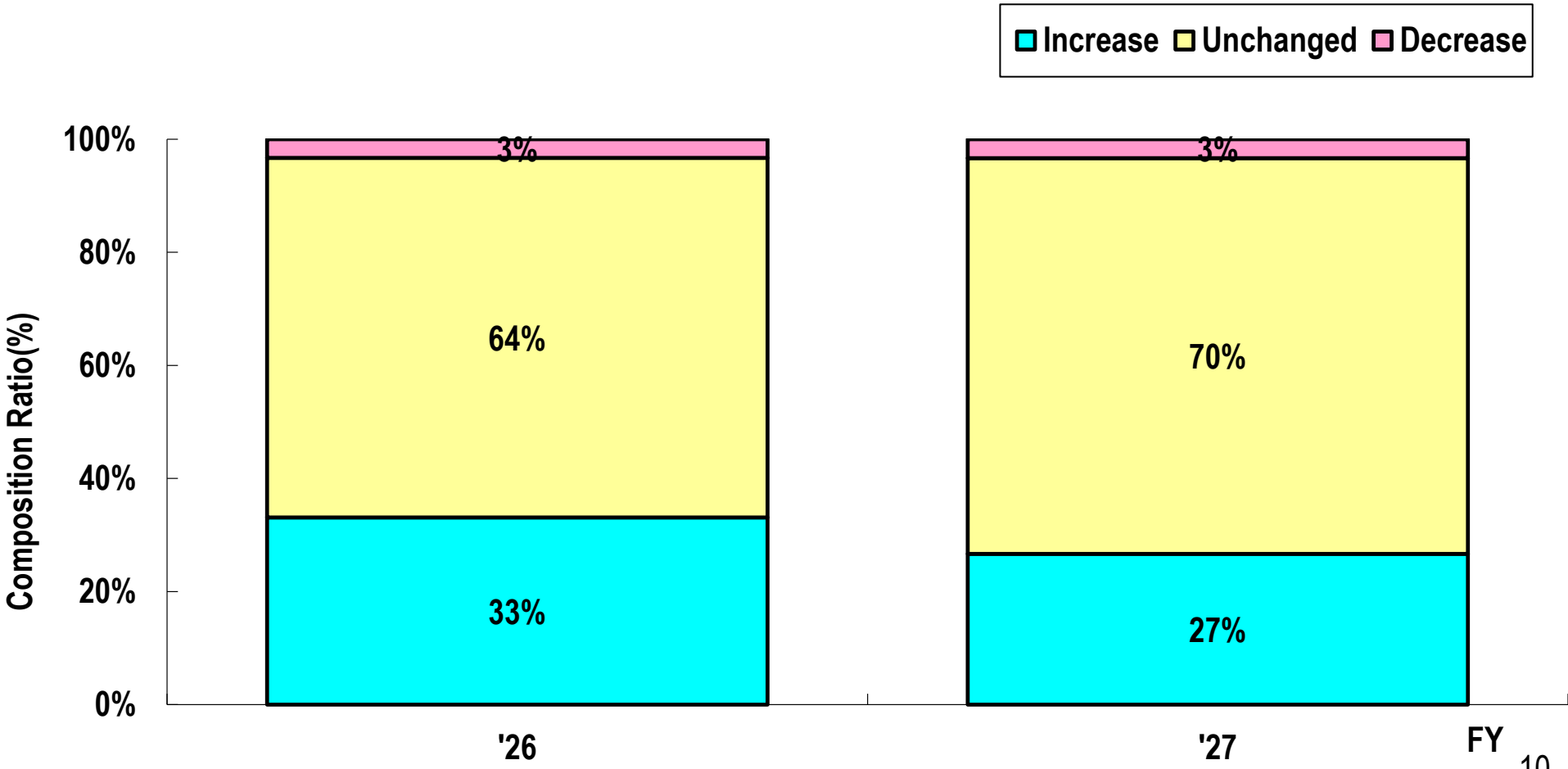


2. Survey Results - Members

(2) Behind overseas demand forecast

① Trend in the North American markets

○ In both FY26 and FY27, most forecasts indicate flat performance, although approximately 30% expect an increase.

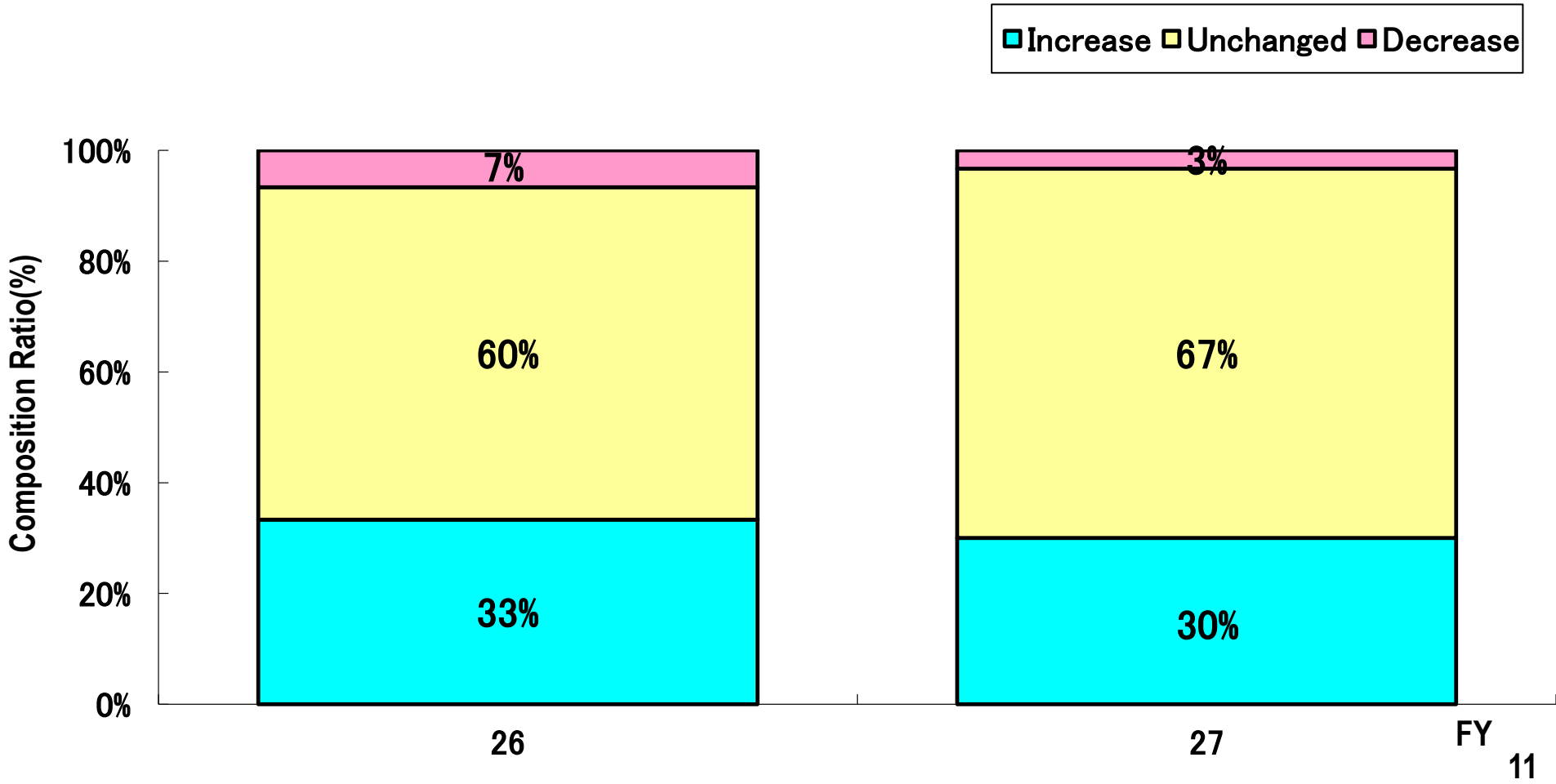


2. Survey Results - Members

(2) Behind overseas demand forecast

② Trend in the European markets

○ In both FY26 and FY27, most forecasts indicate flat performance, although approximately 30% expect an increase.

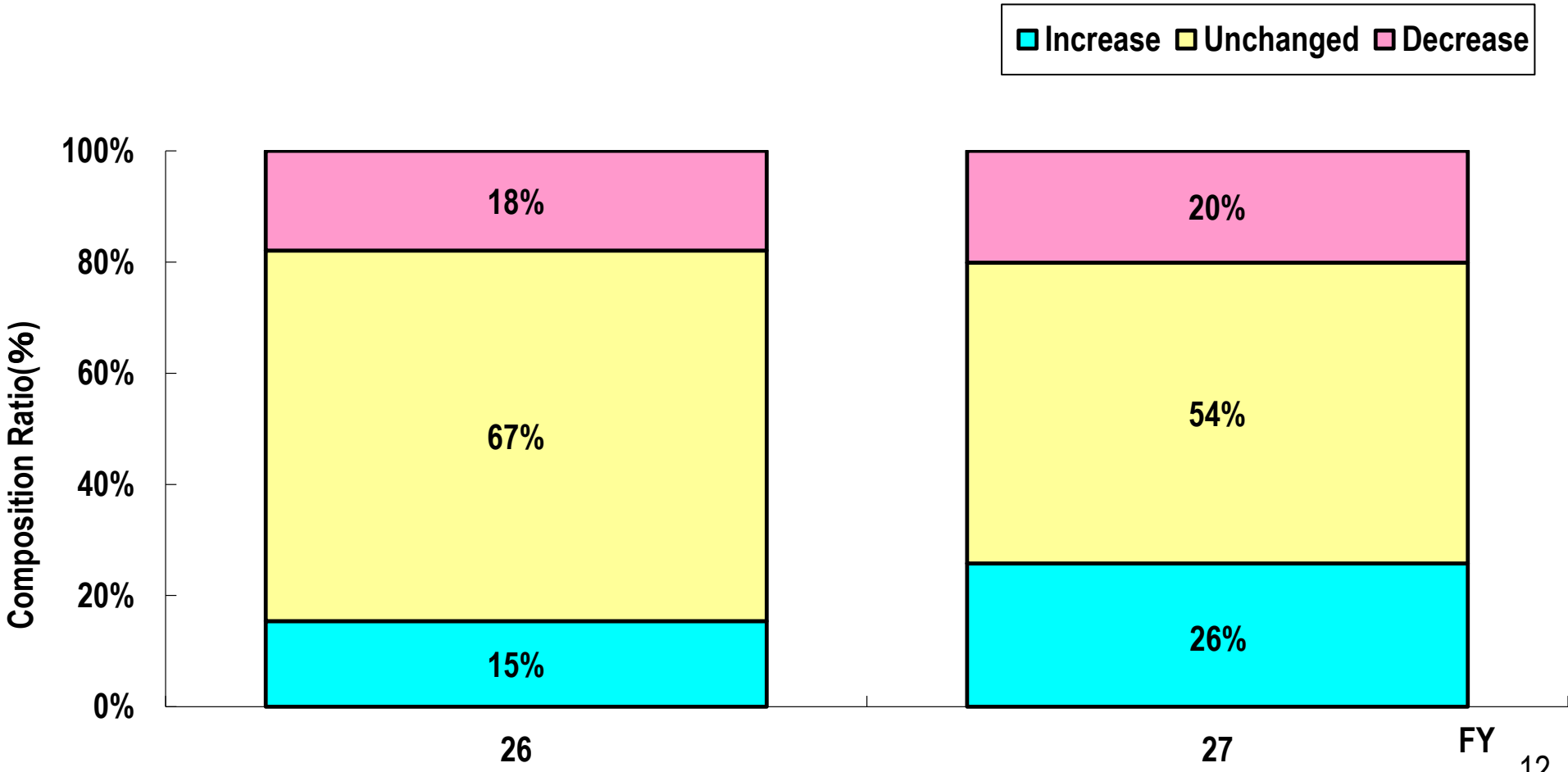


2. Survey Results - Members

(2) Behind overseas demand forecast

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

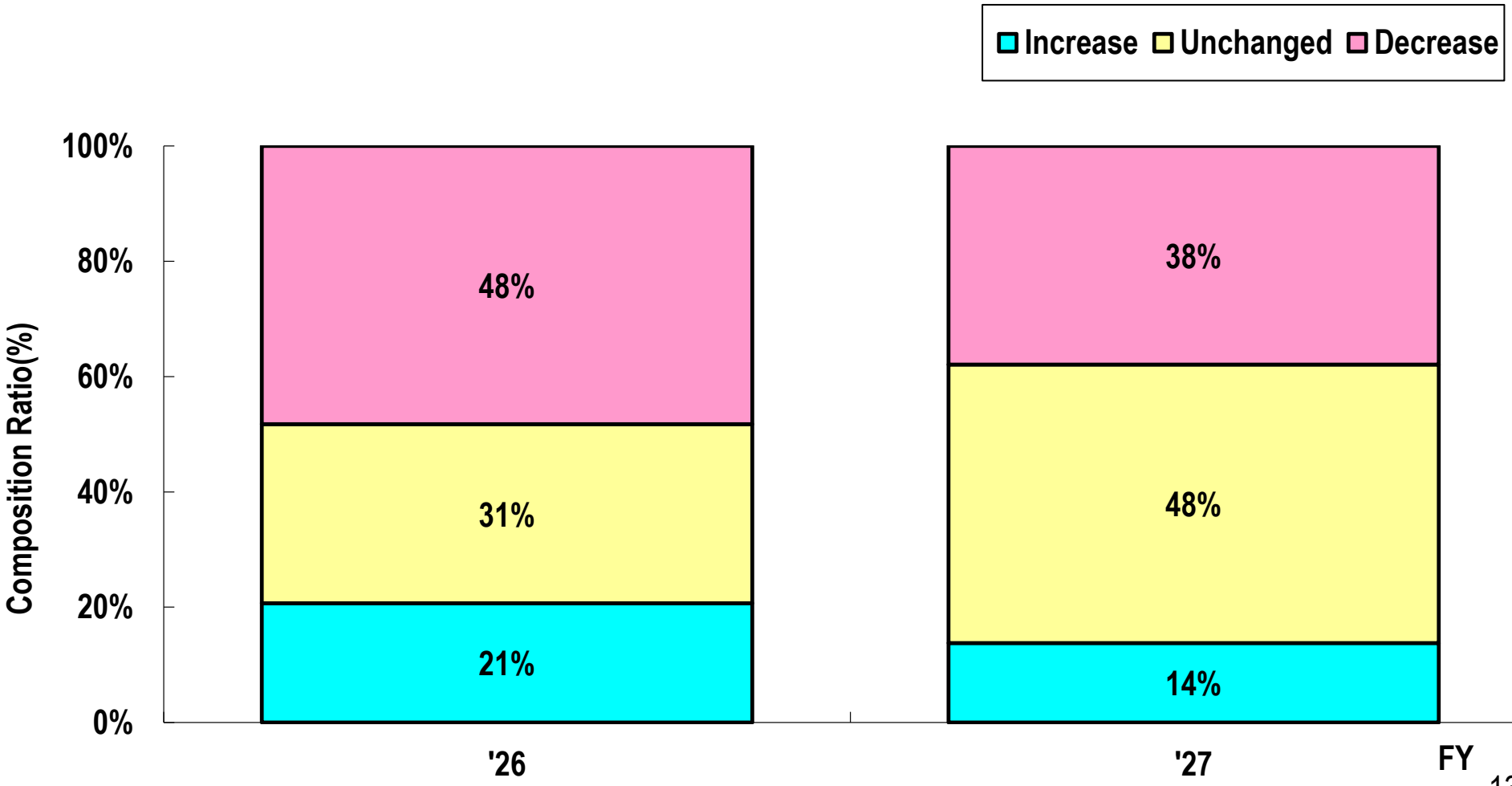
○ In both FY26 and FY27, most companies forecast demand to remain flat; however, more companies forecast an increase in FY27.



(2) Behind overseas demand forecast

④ Trend in the Chinese market

○ In FY26, more companies forecast a decrease; however, in FY27, more companies forecast demand to remain flat.

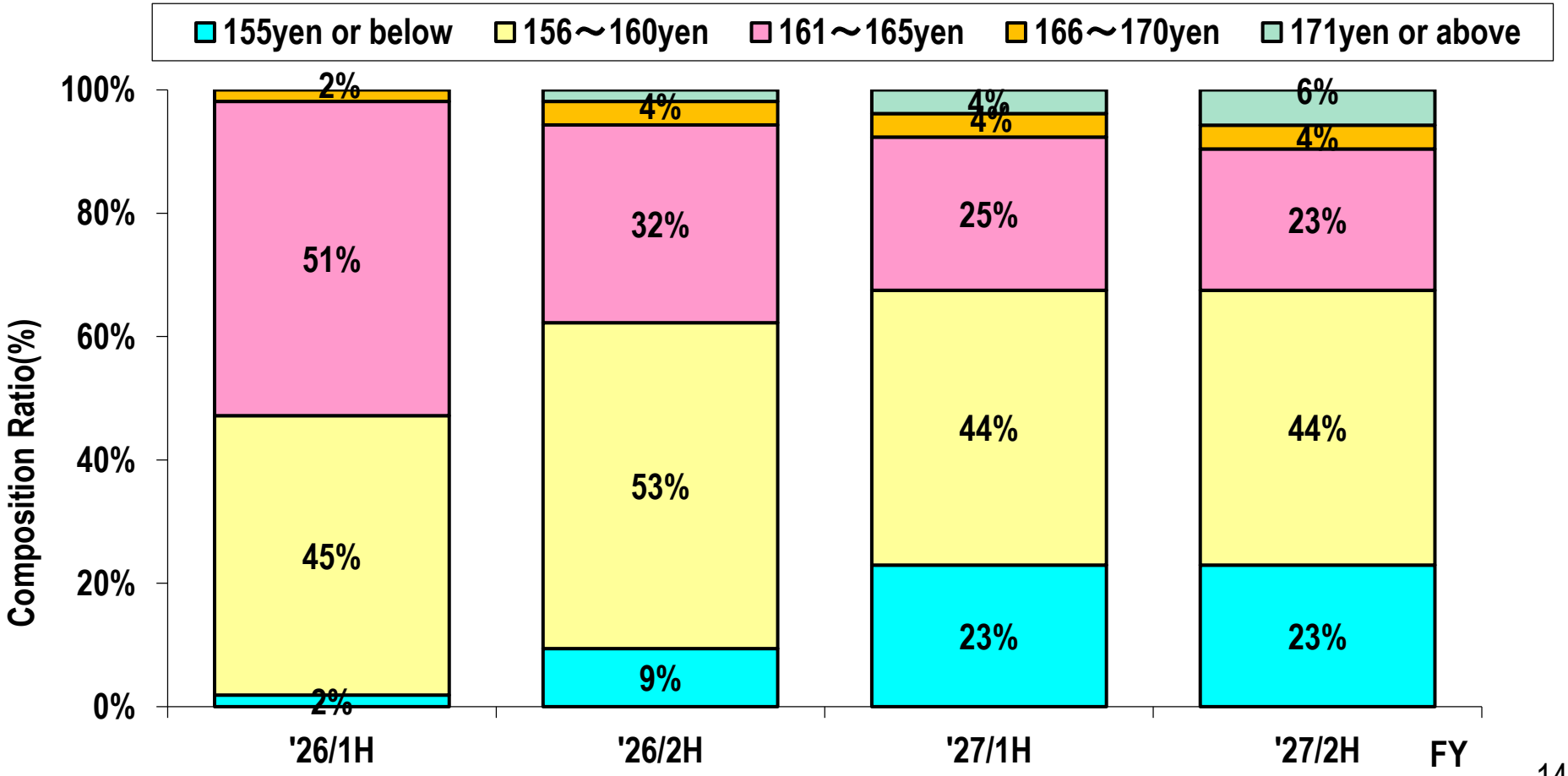


2. Survey Results - Members

(3) Trends in exchange rates

①JPY-USD

- More than half expect 161-165 yen for the first half of FY26.
- More expect the yen to appreciate against the dollar in FY2027.

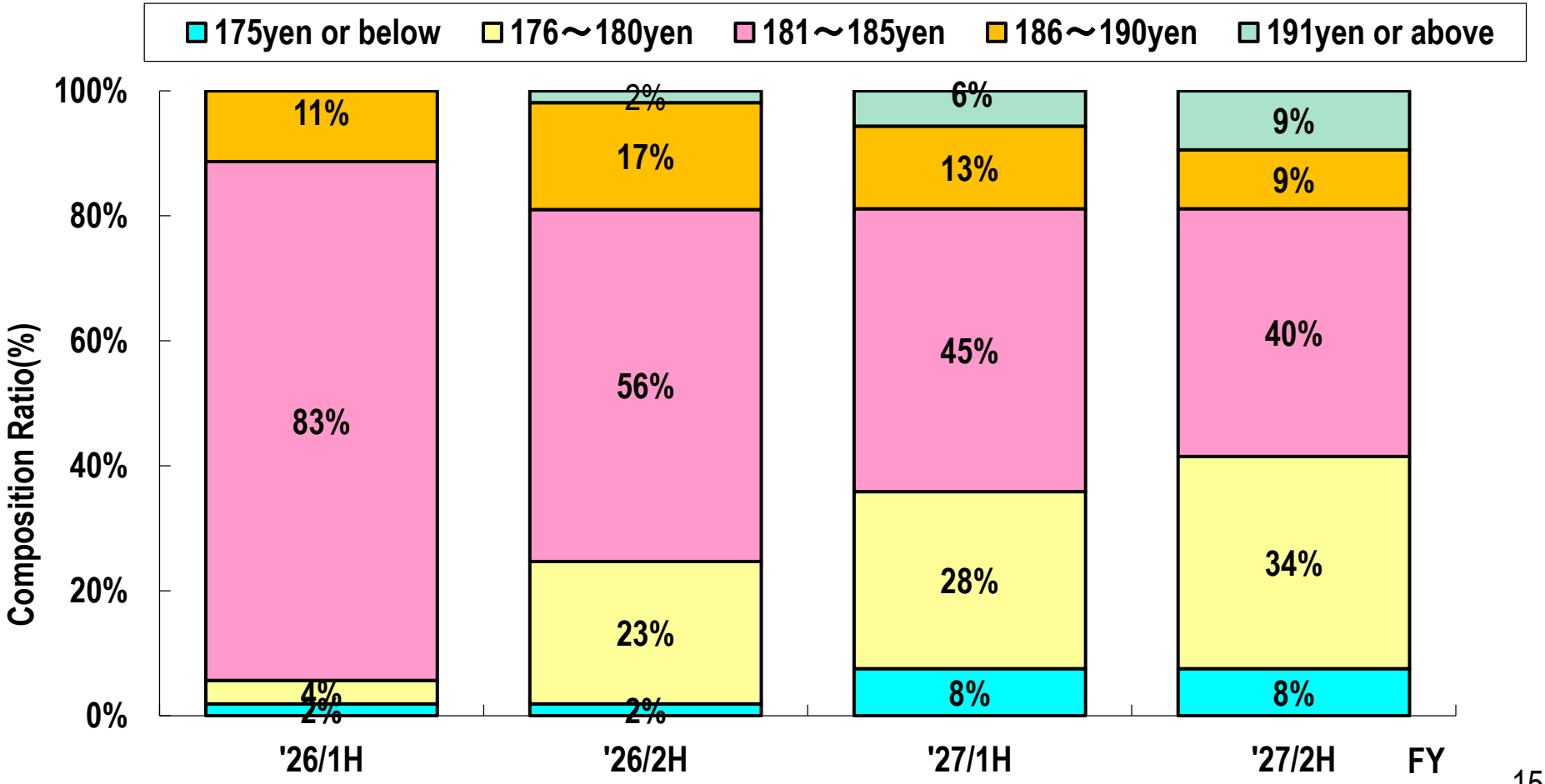


2. Survey Results - Members

(3) Trends in exchange rates

②JPY-EUR

- More expect 181-185 yen for FY26.
- More expect the yen to appreciate against the euro in FY2027.



2. Survey Results - Members

(4) Survey Results on Topics

Factors that may affect demand forecast ①

○ As factors positively affecting demand forecasts, many companies cited public investment, private capital investment, and exchange rate trends for the domestic market, while for overseas markets, exchange rate trends as well as public and private investment were frequently mentioned.

○ On the other hand, as factors negatively affecting demand forecasts, many companies cited the impact of conflicts in the Middle East (particularly on petroleum-related products), resource prices, and steel prices for the domestic market, while for overseas markets, the impact of conflicts in the Middle East (particularly on exports and petroleum-related products) was frequently mentioned.

	Positive factors	Negative factors
Domestic market	① Public works projects（132） ② Private capital investment（99） ③Trends in exchange rate（21）	①Impact of conflicts in the Middle East (e.g., difficulties in procuring petroleum-related products) (74) ②State of resource prices（51） ③State of steel material prices（34）
Overseas markets	①Trends in exchange rate（85） ②Public works projects（67） ③Private capital investment（60）	①Impact of conflicts in the Middle East (impact on exports) (58) ②Impact of conflicts in the Middle East (e.g., difficulties in procuring petroleum-related products) (53) ③Interest rate trends among central banks in various countries (35) ③Trade policy trends in various countries (e.g., tariff increases) (35)

-Based on three choices each (in order of priority) for domestic and overseas markets from the following 14 items identified by respondents as factors potentially affecting future market conditions:

1. Public investment, 2. Private capital investments, 3. Trends in exchange rates, 4. Interest rate trends among central banks in various countries, 5. Trade policy trends in various countries(e.g., tariff increases) 6. Russia-Ukraine issue 7. Impact of conflicts in the Middle East(impact on exports), 8. Impact of conflicts in the Middle East(e.g., difficulties in procuring petroleum-related products) 9. Parts/components delivery conditions, 10. State of resource prices, 11. State of logistics costs, 12. State of steel material prices, 13. Inventory at sales outlets, and 14. Others

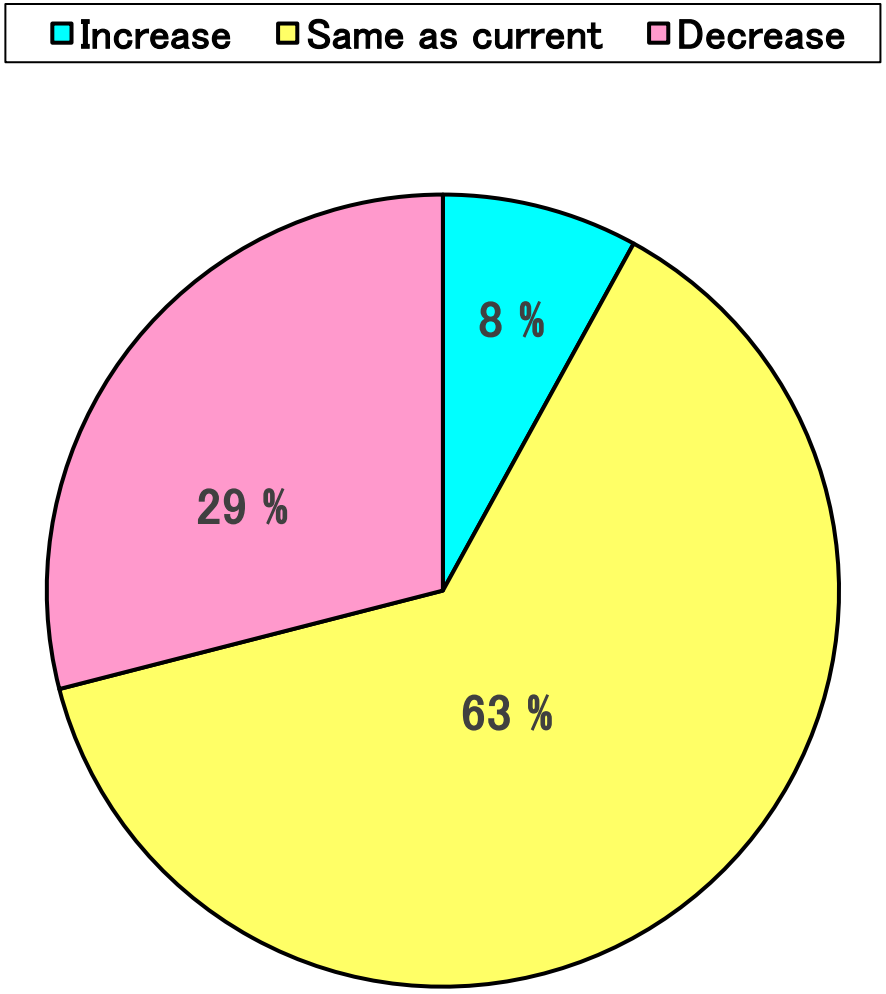
-The choices are numbered (① ② ③) in order of influence, allocating 3 points for ①, 2 points for ② and 1 point for ③.

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: 52 companies

[Main reasons behind responses]

① Increase

- Expectations for increased investment in AI data centers, infrastructure, mining, energy-related projects, and factory construction driven by the reshoring of manufacturing.
- Japanese exports are also expected to increase as the cost impact of tariffs gradually diminishes.

② Same as current

- While the housing market is expected to remain sluggish due to rising prices and interest rates,demand is expected to remain at around the current level, supported by construction of AI data centers.
- Despite expected increases in new vehicle prices due to additional tariffs, firm market demand is expected to absorb some of the impact, keeping export demand at around the current level.

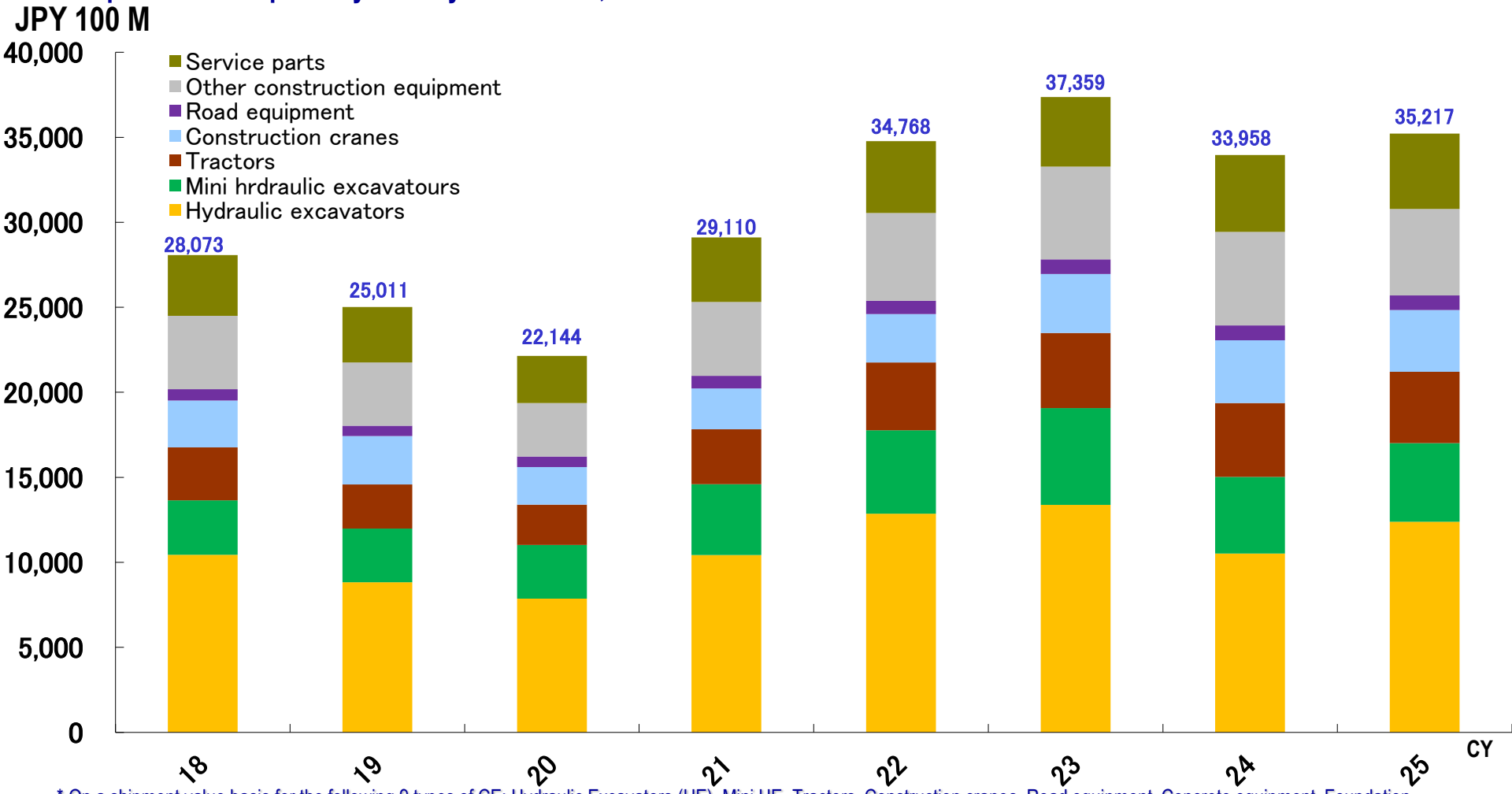
③ Decrease

- Export costs are expected to increase due to tariff hikes and supply chain restructuring.
- Local procurement and production are expected to become increasingly important.
- Uncertainty over tariff policies is expected to make buyers more cautious about purchasing made-to-order products.

[For Reference] Actual results shipment value

①Trends by CE type (including service parts): 2018 to 2025 (calendar year)

○ **In 2025, shipments decreased for six types of equipment, but a significant increase in hydraulic excavators pushed the total shipment value up 3.7% year-on-year to JPY 3,521.7 billion.**



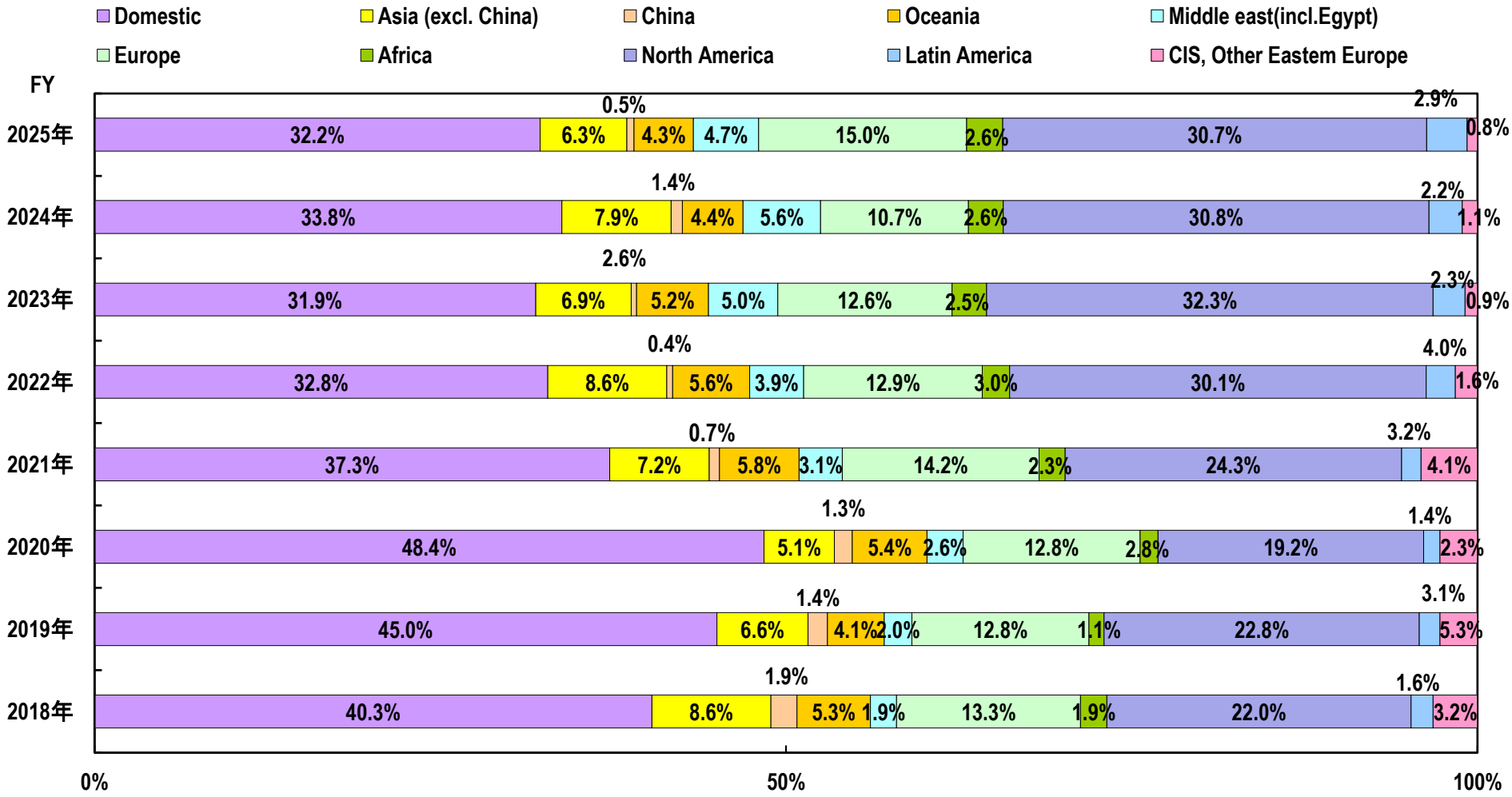
* On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE (including service parts).

Source: Statistics privately compiled by CEMA

[For Reference] Actual results shipment value

② Changes in composition ratio of shipment value by destination: 2018 to 2025

○ In FY2025, Europe's share increased.



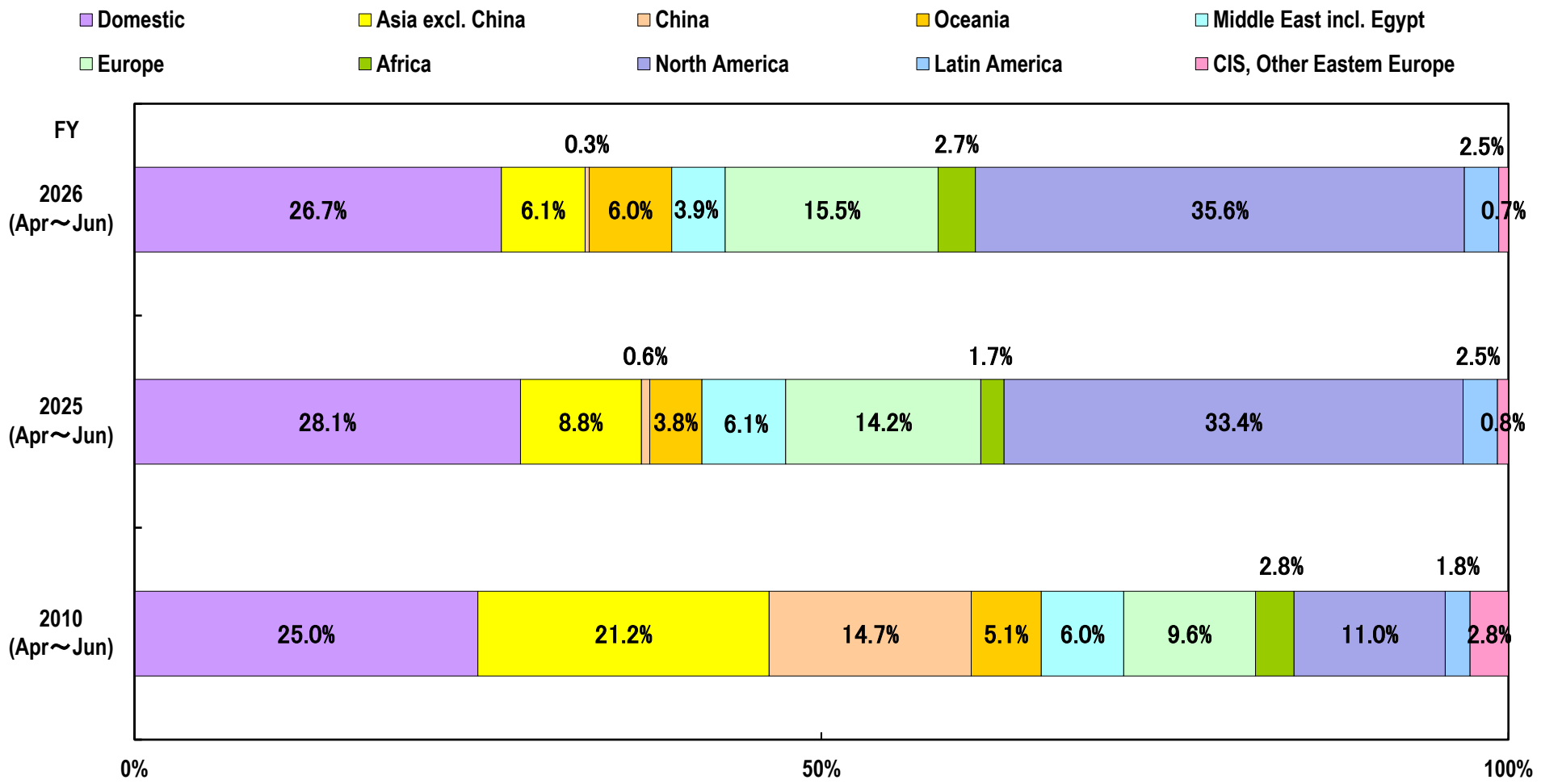
* On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE (excluding components)

Source: Statistics privately compiled by CEMA

[For Reference] Actual results shipment value

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

○ In FY2026, the shares of North America, Europe, and Oceania are forecast to increase compared with the previous year.



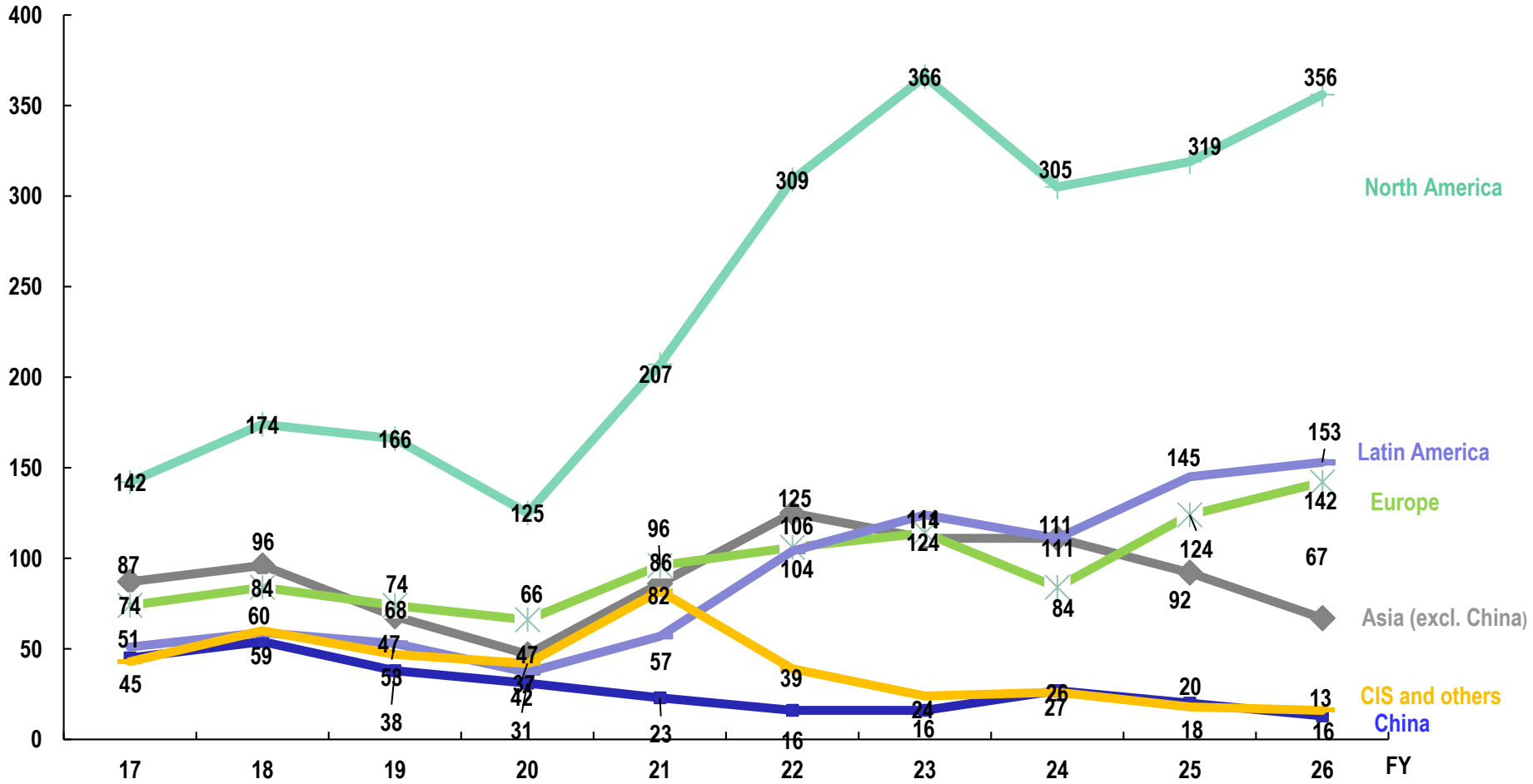
* On a shipment value basis for the following 9 types of CE: Hydraulic Excavators (HE), Mini HE, Tractors, Construction cranes, Road equipment, Concrete equipment, Foundation work equipment, Hydraulic breakers & crushers, and Other CE (excluding components)

Source: Statistics privately compiled by CEMA

[For Reference] Actual results shipment value

④ Changes in index (FY2007=100) by destination

○ The shipment value indices for North America, Europe, and Central and South America have increased, while those for Asia, the CIS, and China have decreased.



*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 FY25 are estimates based on actual data by destination for Apr-Jun. Source: Statistics privately compiled by CEMA

Japan Construction Equipment Manufacturers Association (CEMA)

Chairman's Press Conference

The next demand forecast will be announced on Tuesday, February 18, 2027.