

The market situation in Japan



Nov. 12 2013

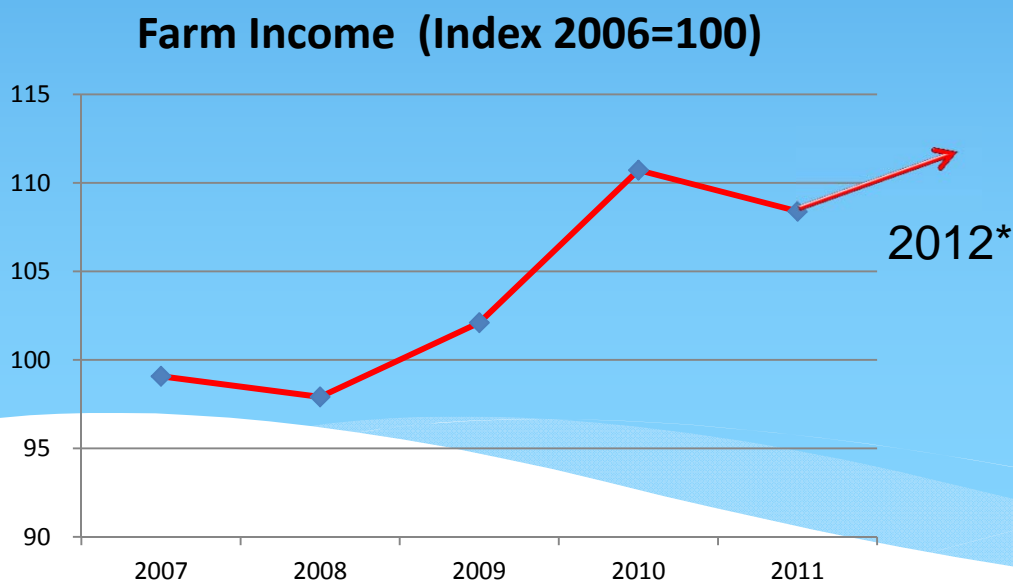
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Farm Income

Farm income is improvement trend until 2013, but, it is uncertain in the future.

(Main factor)

- Number of large-scale farmers has increased.
- The subsidy (Individual income guarantee) started from 2011.
- The price of rice is rising trend.



Source: Ministry of Agriculture, Forestry & Fisheries, JAMMA Forecast 2012*

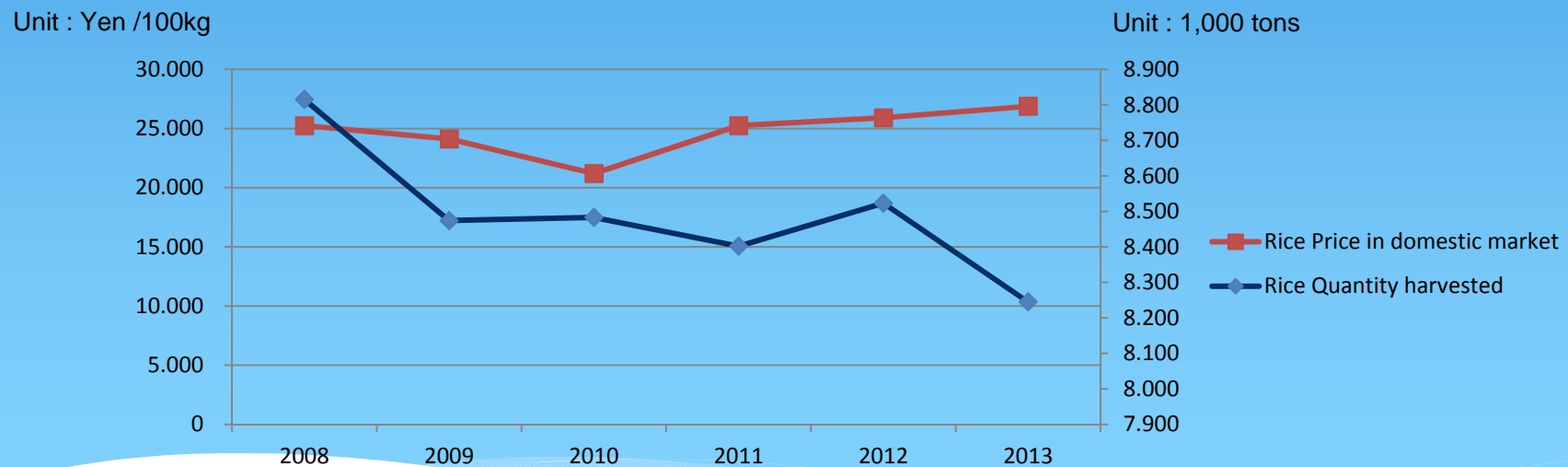
Result of past harvest in Japan

The harvest of rice is decreasing gradually.

- The policy of rice acreage reduction has been implemented.
- The aged farmer has given up farming.

The price of rice is rising trend.

- Reduction of trade inventory, etc.

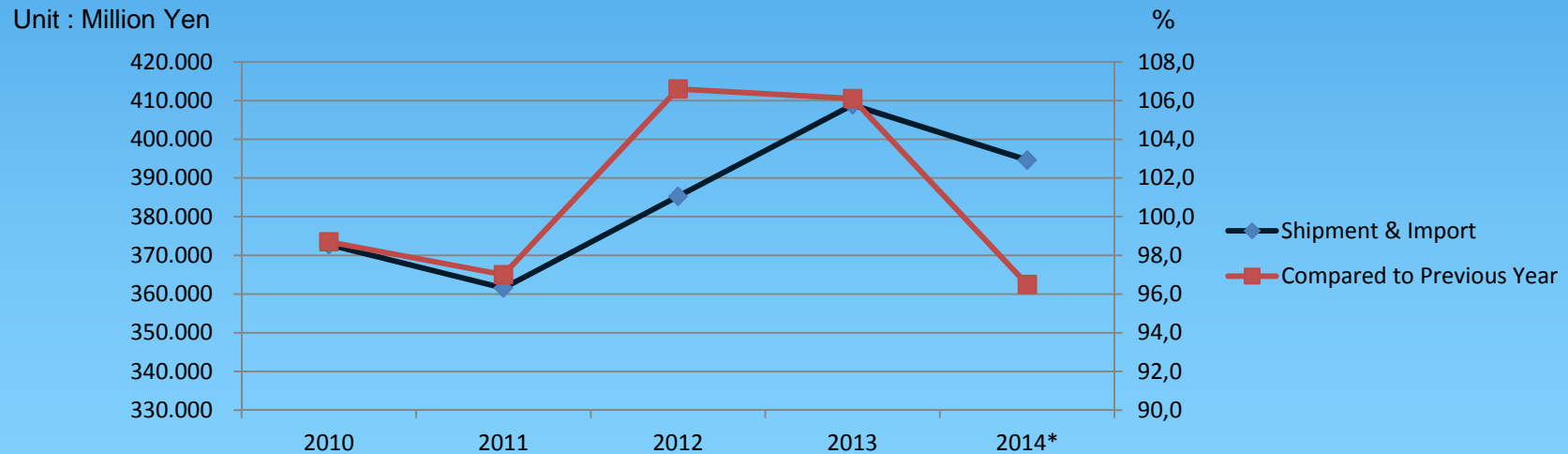


	2008	2009	2010	2011	2012	2013
Rice Quantity harvested	8,815	8,474	8,483	8,402	8,523	8,245
Rice Price in domestic market	25,240	24,120	21,190	25,240	25,900	26,880

Source: Ministry of Agriculture, Forestry & Fisheries

Agricultural Machinery Market in Japan

- Farmers' income has remained steady. So the domestic market of the past two years was relatively good by the willingness of the purchase.
- The reaction is worry in 2014.



	2010	2011	2012	2013	2014*
Shipment & Import	372,738	361,547	385,231	408,874	394,624
Compared to Previous Year	98.7	97.0	106.6	106.1	96.5
Shipment & Import (Million US Dollar)	4,231	4,521	4,840	4,398	4,245

Source : JAMMA Statistics, Forecast 2013-2014*

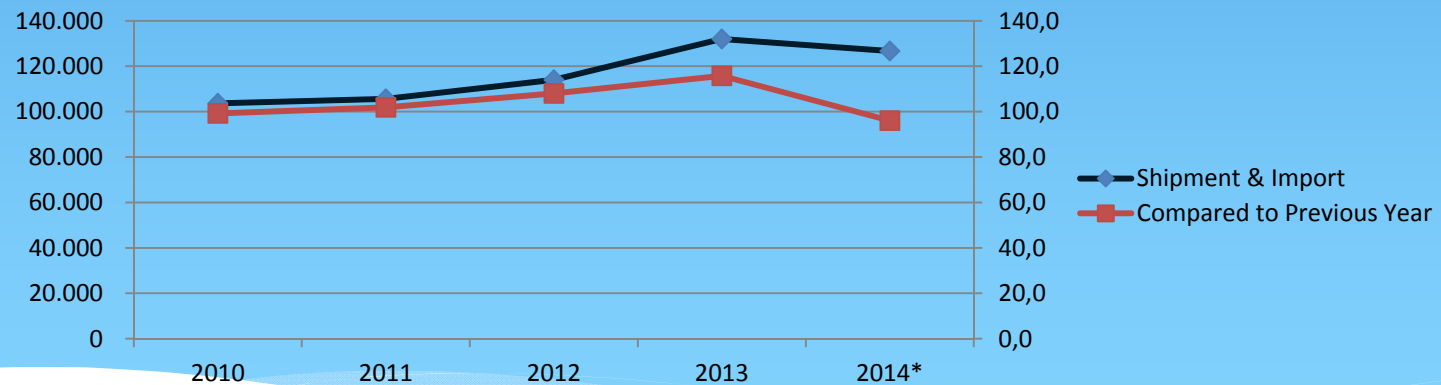
Tractor Market in Japan

2013 : Market situation is good. ↗

- The price of rice has remained high level.
- New products have been introduced into the market.
- Rush demand of consumption tax before the introduction.

2014 : Market situation is not good. ↘

- Reaction of previous year, Consumption tax rate up, etc.



	2010	2011	2012	2013	2014*
Shipment & Import	103,648	105,597	114,004	131,986	126,706
Compared to Previous Year	99.2	101.9	108.0	115.8	96.0
Shipment & Import (Million US Dollar)	1,177	1,320	1,432	1,420	1,363

Source : JAMMA Statistics, Forecast 2013-2014*

Special impact for the business

- Consumption tax rate will be raised from 5 to 8 % in Apr. 2014, and then to 10 % in Oct. 2015.
 - Exhaust gas controlled agricultural machine will be on the market from Nov. 2014. (Tractor, Combine, etc.)
- ➔ The price of agricultural machine will be higher, the willingness of the purchase will be down.

