



October 5, 2021

EMO MILAN 2021
JAPAN Press Conference
Greetings by Chairman Inaba

Buongiorno!

Hello, everyone! I am Yoshiharu Inaba, chairman of the Japan Machine Tool Builders' Association. I am happy that so many of you have come to today's Japan Press Conference and would like to thank you for doing so.

EMO Milan 2021 opened yesterday with great fanfare here in Milan which is the largest industrial city in northern Italy.

This is the first time since 2015 that the renowned EMO, Europe's biggest machine tool trade show, has been held in Milan.

The COVID-19 pandemic has made things very difficult for trade shows so that being here at what we call the "Milan show" for the first time in six years.

We have the highest regard for General Commissioner Luigi Galdabini and the organizers who have worked so hard in their preparations and would like to congratulate them from the bottom of our hearts for this successful show.



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The 31st JAPAN INTERNATIONAL MACHINE TOOL FAIR

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The world's machine tool industry is currently in the middle of a great transformation. In manufacturing, we can see how innovation is steadily making progress in many ways, such as the evolution of automation through the combination of robots and peripheral equipment, the concurrent connection of numerous devices by using 5G, the acceleration of Digital Transformation (DX), and the rise of Customer Transformation or CX.

In addition, the whole world is starting to take action to become carbon neutral to cope with environmental problems, and Europe is leading the way in this regard through its Green Deal. The automobile industry is being especially proactive with its smart mobility strategy with a policy to spread the use of EVs by 2035.

There is a great deal of interest in the fact that in response to this, Europe aims to become second in the global battery market that is expected to grow 14 times in 2030.

At this Milan show, the spotlight is on high-end machines and advanced technologies that will be used for these changes. Japanese exhibitors see the trend toward innovation in manufacturing and a decarbonized society as diversification of needs. So, they have on display their solutions that can help their customers create value.



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Japanese manufactures will be welcoming visitors with their leading-edge and new products, technologies, and solutions, such as combinations of robots and machine tools, advanced additive manufacturing technology, and more intelligent machine tools. There are many proposals that will contribute to improving value-added for users, such as optimization of production systems and mass customization. Therefore, we hope you will find the time to visit the booths of the various companies.

We at the JMTBA and Tokyo Big Sight will be holding JIMTOF Tokyo 2022 at the Tokyo Big Sight for six days from November 8 (Tuesday) to 13 (Sunday), 2022. This JIMTOF will be moving back to the Big Sight for the first time in four years. As a result, it will be a physical show where visitors can touch the actual machines and negotiate directly with sales representatives. This show will use all the halls at the Tokyo Big Sight. The floor space at the show will be about 20,000 square meters larger than in 2018 at 118,540 square meters. This will be the biggest JIMTOF in its 60-year history. Based on our experience with JIMTOF 2020 Online last year, we will be reinforcing our online information output and diligently preparing so that the information can lead to actual business talks.

We hope to learn from the COVID-19 countermeasures taken at this Milan show and take every possible precaution at JIMTOF 2022 so that we, too, can help the world's machine tool business prosper.



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It would be our greatest joy if those of you at this Press Conference would also come to JIMTOF Tokyo 2022 next year. All of us in the Japanese machine tool industry will be waiting for you.

Let me conclude this presentation by saying that we are hoping for the immense success of EMO Milan.

Thank you for your attention.

Grazie molte.



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Japan Press Conference at EMO 2021 President Yuhara's Speech

Hello, everyone. I am Kazuo Yuhara, President of the Japan Machine Tool Builders' Association.

Today, I would like to talk about the situation of Japan's economy and that of Japan's machine tool industry.

1. Current State of Japanese Economy (GDP)

From 2016 to 2019, the state of the Japanese economy in terms of GDP was somewhat weak, but the economy grew due to a virtuous cycle. Both employment and incomes continued to improve, and corporate profits were at a high level. Under these circumstances, both personal consumption and capital investment increased, and although gradually, the economy recovered.

In comparison, due to the effects of COVID-19, the real GDP in 2020 decreased considerably by 4.6 percent. Although we can still see weaknesses in the future, private capital investment has turned around due to the trends to make up for the shortage of semiconductors and the investments being made to convert to

electric vehicles. Because of the expectations for the future, it is believed that the economy has started to recover.

2. Trends in Machine Tool Orders

(1) Total orders

Next, we would like to discuss trends in machine tool orders in Japan.

In 2018, the amount of machine tool orders increased for the second consecutive year by 10.3 percent year-over-year to 1.8158 trillion yen (equivalent to \$16.4 billion, €13.9 billion), its highest amount ever.

After that, in 2019, the opaque outlook for the global economy led to deteriorating investment conditions. Although investments started to recover in May 2020, they were down by 26.7 percent to 901.8 billion yen for the year 2020. Today, we have already passed the mid-year mark of 2021 and the recovery is continuing.

(2) Domestic demand

Domestic demand in 2020 was down by 34.2 percent to 324.5 billion yen. In 2021, capital investment has been continuing at a satisfactory level due to the search for a balance between establishing new lifestyles and economic activities.

Looking at investment factors for domestic demand, there seems to be demand in a variety of manufacturing industries that are looking beyond the COVID-19 pandemic, such as the sectors that are looking to overcome the global semiconductor shortage, and the automotive sector that is investing in electric vehicles. Moreover, investments by projects which have received business restructuring subsidies are helping increase these orders, showing that government policies are helping rebuild the economy.

(3) Foreign demand

Foreign demand in 2020 was down by 28.4 percent to 577.4 billion yen. Looking at the three centers of foreign demand, Asia was down by 1.4 percent to 291.6 billion yen. Due to the strong recovery in the second half, the decrease was not that bad. Demand in Europe was down by 45.6 percent to 96.3 billion yen and although still weak, it is starting to recover. Demand in North America was down by 27.4 percent to 177.8 billion yen. As vaccination spread, demand started to recover in various industries, such as the energy industry and automobile industry.

(4) Outlook for the future

Machine tool demand hit bottom both domestically and abroad in the first half of 2020. Overall, demand is recovering. Needs for automation and greater efficiency are expected in a variety of demand sectors. The vigorous capital investment in the semiconductor sector and the manifest strong investment for electrification in the automobile industry are positive factors and are the reasons why capital investment is expected to continue.

Conversely, what we consider negative factors include: strong concern about the trade friction between the U.S. and China, the global shortage of component parts, the maritime transportation issues caused by the shortage of containers, and concern about the delays in both establishing countermeasures to COVID-19 and re-establishing economic activities.

Considering the positive factors and recent negative factors related to demand in a comprehensive way and believing that the global economy is recovering, we revised our forecast that we had announced at the start of 2021 upward to 1.45 trillion yen.

Thank you for your attention.



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**Executive Vice President and CEO,
Tokyo Big Sight Inc.
Tsukuni's Speech for EMO Milano 2021**

Hello, everyone. My name is Yasuo Tsukuni from Tokyo Big Sight. Today, I would like to talk to you about JIMTOF 2022 that will be held in Tokyo in November next year.

<<Overview>>

I hope you enjoyed the video. As it stated, the next JIMTOF will be held for six days in 2022, from Tuesday November 8th, to Sunday November 13th. The venue will be Tokyo Big Sight. The trade fair will occupy a floor area of about 118,000 square meters. This will make this JIMTOF the biggest ever.

JIMTOF is one of the four major machine tool trade fairs of the world. It is an international trade fair with a history of 60 years. There are many foreign exhibitors and visitors to JIMTOF regardless of the economic situation. As the video showed, we had 1085 exhibiting companies at the previous fair.

There were 320 foreign exhibitors, of which, 151 were from Europe and they accounted for 47 percent of the foreign contingent.



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At the previous JIMTOF 2018, we had about 153,000 visitors. Of these, slightly under about 13,000 were from abroad.

Among our foreign visitors, there were 1,221 from Europe. Even though the world is still battling the COVID-19 pandemic, we have received many inquiries from overseas about exhibiting or visiting the fair.

As the organizers of the trade fair, we will proactively invite exhibitors and visitors from Europe.

<<Key Visual of JIMTOF 2022>>

Next, we would like to introduce the key visual of JIMTOF 2022.

This key visual uses a door as a metaphor for JIMTOF. It shows leading-edge technologies and people meeting at JIMTOF, making connections, and then being flashed around the world together with light.

The catchphrase, "Opening the door to the future - Meet the technologies moving the world forward," was made with our wish for there to be many wonderful "encounters" at JIMTOF that will prove to be a leap forward for the industry.

<<Main features of JIMTOF 2022>>

Given this key visual, we have undertaken the three things that are shown on the screen.



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The first feature is, "Being the first to display the latest technologies and products: Increasing the appeal of JIMTOF as an international technology trade fair."

JIMTOF has a strong reputation as the place where the latest products and technologies are displayed.

At every JIMTOF, many major manufacturers announce their new products. This was especially true of JIMTOF 2018, where there were many IoT and smart factory-related exhibits in the spotlight.

We will widely promote this exhibit information to make JIMTOF an attractive international trade fair for visitors.

The second feature is, "Expanding and utilizing digital PR tools: Increasing the expectations for a physical fair."

The COVID-19 pandemic has led to the cancellation of physical fairs so that during this past year trade fairs rapidly went online. However, the demand is still high for physical trade fairs where visitors can see the actual machines and communicate face-to-face in business negotiations. Under these conditions, JIMTOF will be emphasizing the holding of a physical trade fair, and has positioned online technology and expanded its services to be used "as tools to increase the expectations for the physical event."

Specifically, we will be expanding the existing online catalog services on our official website that show the highlights of all the exhibitors and new product information before, during, and after the fair. We are also planning to add a new streaming service to our official website,



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which will show webinars and PR videos from the exhibitors before the fair starts.

This expanded use of digital PR tools will increase the expectations for the physical fair, and we hope they will help to increase the number of visitors and revitalize business talks.

The third feature is, " Co-sponsored projects to meet the needs of the times: Hosting a variety of captivating co-sponsored events and feature exhibits."

The theme of the organizer's exhibit will be based on the needs of the times and will provide visitors with practical information.

With respect to presentations, domestic and foreign machine tool researchers and engineers will be meeting at the International Machine Tool Engineers' Conference or IMEC, and we will also be having authorities and pioneers from various industries present the latest information on monozukuri.

In addition, we will be holding various events for students who attend JIMTOF to increase their interest in our industry, and to further their understanding. We would like students to thoroughly understand the potential of future monozukuri, which will hopefully whet their appetites to become part of the future of manufacturing.

Moreover, in the newly added South Exhibition Hall, we will hold the special event, "Additive Manufacturing Area in JIMTOF 2022."

Additive manufacturing is a breakthrough technological trend and is



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attracting a great deal of attention - even in the machine tool industry. JIMTOF 2022 will have an area where additive manufacturing products and technologies are collected. Collecting these products and technologies in one place will increase their appeal and help to create new business opportunities. This area will not only be the exhibition space, but also a special seminar venue in the area, providing one-stop information dissemination.

Please refer to the "Guide to Exhibit" for Additive Manufacturing Area in JIMTOF2022 for details.

These are the three things that we will be undertaking.

We hope that you, too, will take part in this innovative JIMTOF.

<<JIMTOF 2022 Application Period>>

The JIMTOF 2022 application period for member companies of overseas associations is from October 1, to October 31, 2021. The application period for non-members is from November 1, to November 30, 2021. All the dates and times are in Japan Standard Time.

As was the case for the previous fair, applications will only be accepted through our website. There will be a "Participation Form" on the official JIMTOF website, so please use that form to apply within the application period.



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<<Summary>>

This completes my introduction of JIMTOF.

For more details, visit us at JMTBA booth – Hall 4, A44 in the international association center at EMO MILANO 2021 or check our website.

We promise to hold a trade fair that will fulfill your needs, so please come to see us. We will be waiting with open arms.

Thank you for your attention.