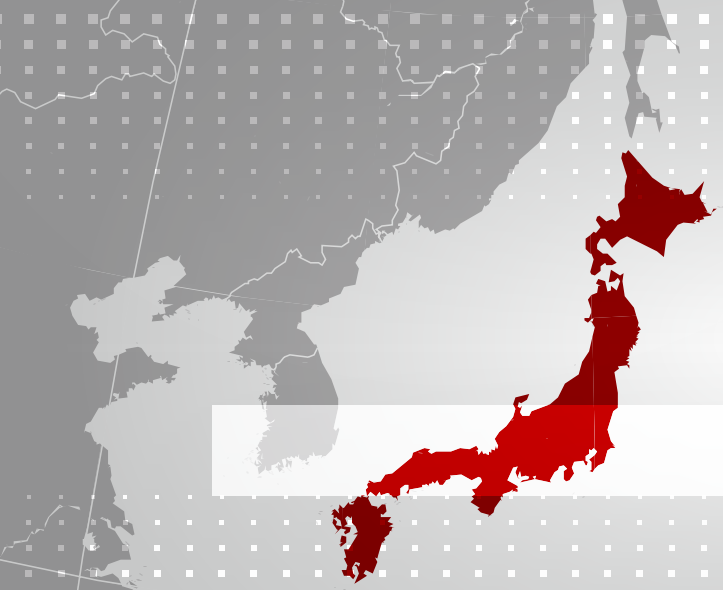

JAPANESE NEWS

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› Japan Forming Machinery Association Raises 2026 Order Forecast to ¥385B, Driven by Tech and Overseas Demand

TOKYO — **Capital investment in metal forming machinery is regaining momentum, with 2026 calendar-year orders now expected to reach ¥385.0 billion, up 13.7% year-on-year, according to a revised forecast by the Japan Forming Machinery Association (JFMA).** The updated figure surpasses earlier projections from last December, supported by robust spending in semiconductors, data centers, hybrid vehicles (HVs), as well as ongoing equipment replacements and factory automation. On a fiscal-year basis, orders are also projected to rise 11.5% to ¥391.0 billion.

By product segment, press machinery is set to lead growth with a 30.7% surge to ¥156.0 billion, fueled by large-scale projects and equipment updates for both internal combustion engine (ICE) and hybrid vehicle (HEV) manufacturing. Sheet metal machinery orders are expected to increase 5.9% to ¥130.0 billion, underpinned by expanding semiconductor-related markets and domestic subsidy programs, despite weakness in the construction sector. The service segment is forecast to grow 2.7% to ¥99.0 billion on steady maintenance demand.

By region, domestic orders are projected to decline 3.5% to ¥142.0 billion due to cautious spending by automakers and uneven investment willingness across industries. In contrast, export orders are forecast to surge 51.7% to ¥144.0 billion. **Active capital spending in North America, India, and South Asia, alongside major tech investments, positions foreign demand as the main driver of overall growth.** Despite persistent global uncertainties, the JFMA expects the market to remain stable, anchored by solid replacement demand and strong overseas activity throughout 2026.

› JTA Updates Guidelines to Promote Carbide Tool Scrap Recycling Amid Tungsten Supply Risks

Efforts to promote the recycling of cemented carbide tool scrap are intensifying amid tungsten supply concerns and surging prices. In June, the Japan Cutting & Wear-resistant Tool Manufacturers Association (JTA) revised its guidelines for sorting, storing, and disposing of carbide scrap, urging tool users to establish proper internal recovery routes that return tungsten to domestic manufacturers.

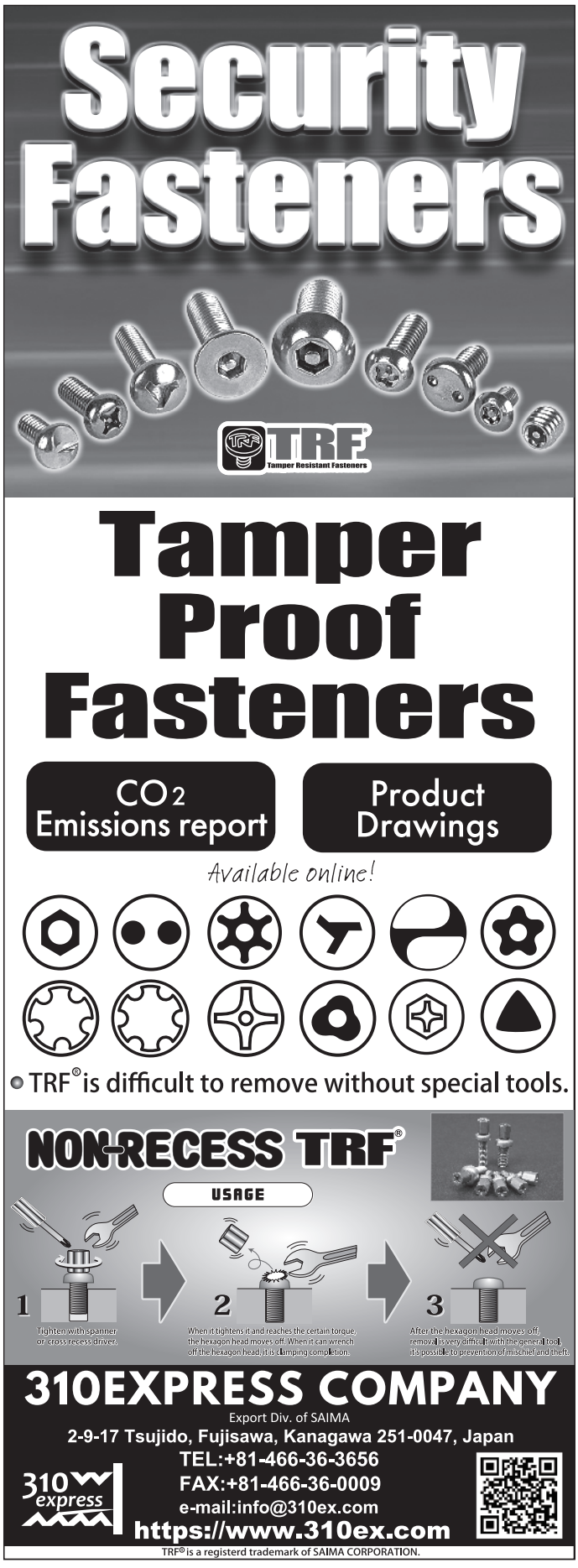
China, which supplies nearly 80% of the world's tungsten, tightened export controls on raw materials such as Ammonium Paratungstate (APT) in February 2025. Consequently, APT prices jumped roughly sevenfold from $330–$350 per metric ton in January 2025 to over $2,000 in March 2026. **Because tungsten accounts for about 75% of cemented carbide—a material essential for cutting tools, cold heading dies, and EDM electrodes—supply disruptions directly impact both toolmakers and fastener manufacturers.** Despite being a critical resource, Japan's domestic carbide recycling rate stood at only 30% to 40% in 2021. Much of the scrap is lost when mixed into general iron waste or exported overseas.

The updated JTA guidelines urge users to establish rules for segregating carbide, cermet, and high-speed steel tools, preventing contamination before handing scrap over to designated "recycling contact points." The June revision clarifies that recycled materials should ideally be recirculated within Japan or among its economic partner countries. To enhance traceability, the JTA released a list of verified recycling service providers and a "Domestic Circulation Confirmation Form."

With supply risks from China now fully visible, proper scrap management by tool users—including fastener manufacturers—has become essential to securing a stable tungsten supply and maintaining Japan's industrial base.

› Japan's Machine Tool Orders Surge on Tech Demand, but Supply Risks and Chinese Regulations Loom

Demand for Japan's machine tools and metal forming machinery—the core equipment powering the manufacturing sector—is experiencing a powerful expansion. According to confirmed data from the Japan Machine Tool Builders' Association (JMTBA), total orders in July surged 50.4% year-on-year to ¥193.09 billion, marking the third-highest monthly record on record. JMTBA Chairman Shigetomo Sakamoto declared that "orders have transitioned from a recovery phase to an expansion phase."



This strong momentum is primarily driven by a global surge in demand related to data centers and semiconductor manufacturing equipment. Foreign demand led the charge, soaring 50.5% year-on-year to ¥139.85 billion, with active capital expenditure reported across North America, Europe, South Korea, Taiwan, and India. A similar wave swept through the metal forming sector; the Japan Forming Machinery Association (JFMA) reported July orders jumping 60.5% year-on-year to ¥37.09 billion, boosted by a 2.1-fold increase in exports—including a 3.6-fold surge to North America. Domestic demand also showed steady growth, supported by government subsidies, automation investments to address labor shortages, and equipment replacement.

Despite robust demand, supply-side bottlenecks persist, including component delivery delays and rising equipment costs due to inflation. Furthermore, China's tightening trade controls present a major headwind. China's government has introduced stricter export declaration and management procedures for material-processing equipment, including lathes. Given that China is one of Japan's largest export markets, prolonged trade friction or regulatory hurdles could delay shipments and cause local clients to hold back investments.

While the current order boom offers Japanese machinery builders a valuable opportunity to reinforce their business foundations, **industry experts emphasize that companies must mitigate geopolitical risks by diversifying away from over-reliance on specific markets and building resilient supply chains.**

› Sanko Techno Fully Operationalizes New Logistics Center in Chiba to Boost Capacity and Supply Resilience

Sanko Techno, a major post-installed anchor manufacturer based in Nagareyama, Chiba Prefecture, put its new Central Logistics Center into full operation on August 24. The new facility expands the company's storage capacity while streamlining operations through digital inventory management and automated sorting. Positioned as a core hub, the center enhances Sanko Techno's ability to maintain direct inventory and handle small-lot, high-variety, and frequent shipments.

The hub manages roughly 25,000 product items—including custom orders—to meet growing demand for infrastructure maintenance, such as aging bridges and tunnels. Addressing the trend of distributors reducing their own stock, Sanko Techno aims to strengthen its manufacturer-led inventory model. President Hideto Horage noted that maintaining robust stock prevents lost sales opportunities while enabling stable, forecast-based production. Through this new facility, Sanko Techno establishes a resilient logistics base capable of quickly delivering custom civil engineering products. ■

