

## News Release

March 19, 2010

The Japan Electrical Manufacturers' Association (JEMA)

### Outlook for FY2010 Electrical Machinery Production

【Table 1】 Forecast for FY2009 Results of Electrical Machinery Production and Outlook for FY2010

(100 million yen, %)

	Outlook for FY2009 (Announced in March 2009)		Forecast for FY2009 Results		Outlook for FY2010	
	Amount	YOY	Amount	YOY	Amount	YOY
Power & Industrial Apparatus	32,464	89.8	30,229	83.6	33,451	110.7
Home Electrical Appliances	16,152	93.9	15,757	91.6	15,497	98.4
Total Electrical Machinery	48,616	91.1	45,986	86.2	48,948	106.4
(Reference) Domestic Shipment of Home Electrical Appliances	20,291	99.0	19,765	96.5	19,767	100.0

(Notes)

1. Figures for result forecast/outlook were drawn up by the Japan Electrical Manufacturers' Association based on the Current Production Statistics Survey of Ministry of Economy, Trade and Industry (METI).
2. FY2009 means fiscal year 2009, a period April 2009 to March 2010.
3. YOY means year-on-year, i.e., compared to the previous fiscal year.

### Electrical Machinery

The global economy is showing slight recovery after the synchronous recession triggered by the Lehman shock two years ago. We expect that Japanese economy will also get on track to gradual recovery in the second half of FY2010, backed by a moderate rebound in the U.S. economy and economic growth in emerging countries, as well as the effects of government's economic stimulus package. But a full-scale recovery may take time primarily due to worsening employment, continuing deflation, prolonging appreciation of the yen, and sluggish corporate earnings.

#### ■ Forecast for FY2009 Results of Electrical Machinery Production

FY2009 total domestic production of power & industrial apparatus and home electrical appliances is forecast to be 4,598.6 billion yen (year-on-year: 86.2%), the second consecutive year of decline. The Lehman shock caused negative impacts in the areas of production of both power & industrial apparatus and home electrical appliances, resulting in a production lower than the initial outlook.

■ **Outlook for FY2010 Electrical Machinery Production**

Outlook for FY2010 domestic production of electrical machinery will be 4,894.8 billion yen (year-on-year: 106.4%), a rise from a year earlier for the first time in three years. This rise is, however, a reaction by a fall in FY2009, so the production levels in FY 2007 before the global recession will not be recovered.

Of which, the production of power & industrial apparatus will increase by 3,345.1 billion yen (year-on-year: 110.7%), marking a double-digit increase, but production of home electrical appliances is expected to be 1,549.7 billion yen (year-on-year: 98.4%), a slight decline compared with the previous year. While exports of power & industrial apparatus to Asia, mainly to China, will recover, home electrical appliances are expected to fall for four years in a row as a result of the expansion of production shift to overseas locations.