



Vol . 119

## *High-tech Sector*

Week ended Jun. 13, 2004

### ***JEITA Announces Semiconductor Market Forecast***

In a recent report on the semiconductor market, JEITA, the semiconductor industry's trade body in Japan, forecast a 14.5% increase in global semiconductor sales in 2004. The association says that the growth rate will slow down after peaking at 18.3% in 2003. The forecast sees the semiconductor market growing at 8.7% in 2005 and 7.9% in 2006. The growth rate for the three- year period will average 9%.The forecast is based on the outlook for 29 principal demand sectors.

### ***Machine Tool Orders Jump 55% in May***

Machine tool orders in May rose 55.1% from the same month a year earlier to ¥107,100 million, according to the Japan Machine Tool Builders Association. It was the first time in two months that orders topped the ¥100,000-million level. Orders growth has been positive for 20 months in a row. Domestic orders rose 69.7% and export orders were up 40.9%. Orders were strong from the automotive sector. Orders rose 83.2% at Toyoda Machine Works and were up 81.7% at Tsugami.

### ***Machinery Orders Rise by a Double-digit Figure***

Machinery orders in April rose 11.8% year-on-year to ¥1.18 trillion. Orders from the manufacturing sector were up 30.6%, the highest growth rate since April 1987 when the government started compiling machinery order statistics. Machinery orders are closely watched as a leading indicator of private-sector capital investment.

### ***JEITA Launches a Project to Bolster Japan's Semiconductor Industry***

JEITA, an electronics industry trade association, will invest ¥100,000 million starting in fiscal 2006 to develop new semiconductor technologies to in a bid to improve Japan's competitive position. The project will take over from the current Asuka Project scheduled to be completed in 2006 and run through 2010. The project aims at getting the industry, the academia and other business sectors involved to strengthen Japan's base in semiconductors.



**Digital Single Lens Camera  
Demand Rises**

The demand for single lens digital cameras is expected rise to 4 million units in fiscal 2005, up from an estimated 2.4 million in fiscal 2004, according to Nikon. Major players are Canon, Nikon and Sony.

**Earnings Roundup****Electronic Component  
Manufacturers Post Strong Profit  
Gains – A Review**

Of the 48 major electronic components manufacturers in Japan, 35 posted higher sales. The 13 firms reporting lower sales blamed the outbreak of SARS rather than demand for the sales decline. Orders were heavily concentrated in the second half and companies, which were able to leverage the capacity added in 2000 for the state-of-the-art components benefited the most. Orders were strong from the mobile phone, notebook personal computers and the automotive sectors. Firms able to win orders in new emerging areas such as digital home electronics also reported strong profit growth. Regarding profit, 36 out of the 48 reported higher operating income, with 31 chalking up double-digit growth.

**Initial Public Offerings News (For detailed information, go to: <http://www.ipotokyo.com>)**

**Link One (2403 TSE Mothers)**

Link One Co., a Japanese food business consulting and staff training service company, will go public on the Tokyo Stock Exchange's Mothers market on July 2. The company will offer 1,000 shares to the public in its initial public offering. All shares are newly issued. The tentative price range will be announced on June 15. The fixed offering price will be announced on June 23. H. S. Securities is the lead underwriter for the offer.

**Netprice (3328 TSE Mothers)**

Netprice Ltd., a Japanese Internet-based retailer will go public on the Tokyo Stock Exchange's Mothers market on July 8. The company will offer 2,000 shares to the public in its initial public offering. This will include 1,400 newly issued shares and 600 existing shares, held in private. The tentative price range will be announced on June 18 and the fixed offering price will be announced on June 28. Daiwa Securities SMBC is the lead underwriter of the offer.

**Funai Zaisan Consultants (8929  
TSE Mothers)**

Funai Zaisan Consultants Co., an asset management consultant focusing on high-wealth individuals and corporations, will go public on the Tokyo Stock Exchange's Mothers market on July 15. The company will offer 1,000 shares to the public in its initial public offering. This will include 500 newly issued shares and 500 existing shares, held in private. The tentative price range will be announced on June 24 and the fixed offering price will be announced on July 5. Shinko Securities is the lead underwriter of the offer.



## Basic Electronics Industry Statistics

	Prod	Ship.	Inv.	Capacity utilization	H. Elec. machinery	Cons. appliances	Electronics Sector	Cons. electronics	Industrial electronics	Semicon (Production)	Electronic devices	Consumer electronics (sales)
Mar.	88.6	88.7	84.4	107.7	3,155	1,691	19,029	1,748	9,561	3,456	7,720	266
Apr.	86.6	92.6	82.7	96.2	1,788	1,677	14,103	1,783	5,261	3,171	7,059	216
May	92.0	96.2	81.1	97.0	1,857	1,707	14,721	1,952	5,501	3,307	7,269	205
June	92.6	96.2	81.1	115.9	2,003	2,039	16,003	1,954	6,481	3,449	7,569	229
July	91.3	90.4	92.6	106.4	2,023	1,924	15,859	1,823	6,206	3,545	7,830	247
Aug.	91.2	95.8	87.0	60.5	1,771	1,165	14,332	1,577	5,593	3,388	7,362	230
Sept	94.1	96.4	82.7	74.3	2,495	1,313	18,078	2,314	7,335	3,761	8,430	209
Oct.	98.6	104.9	80.8	75.2	2,005	1,397	16,942	2,473	6,100	3,698	8,370	228
Nov.	99.4	99.8	81.8	74.1	1,913	1,465	16,360	2,310	5,897	3,611	8,153	244
Dec.	100.2	102.4	81.3	80.9	2,123	1,529	17,484	2,289	7,034	3,596	8,160	321
Jan.	102.5	105.4	81.5	76.1	1,996	1,396	15,531	1,517	6,073	3,629	3,629	273
Feb.	95.7	99.0	80.1	84.9	2,153	1,554	16,577	1,812	6,774	3,575	8,022	195
Mar.	94.2	95.1	81.2	89.6	3,233	1,744	20,681	2,337	9,428	8,916	4,021	241
Apr.	101.9	107.2	-	-	-	-	-	-	-	-	-	-
YoY	8.2	12.7	-3.8	-2.8	2.5	3.2	8.0	30.8	-2.2	15.5	16.3	-10.0

Base year 2000 = 100 (seasonally adjusted); 100 million yen, YoY: Year-on-year percentage change

Source: Ministry of Economy, Trade and Industry, Japan Electronics Industry Association and other trade associations

