

Seventh General Meeting, Presidential Address

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I would like to thank you all for taking time out of your busy schedules to attend this meeting. I would also like to sincerely thank all our members for your ongoing involvement and support for the Association.

I would like to take the opportunity now to say a few brief words on the occasion of this 7th General Meeting of the Japan Land Engine Manufacturers Association.

With regard to the situation surrounding the Japanese economy, the economy appears to be slowly recovering. Exports and manufacturing are trending upward, capital investment is showing positive trends, and consumer spending, which has been a concern, is also trending upward recently. Against the background of improvements in employment and earnings, it can be said that the Japanese economy is slowly improving.

On the other hand, the world economic situation is also showing improvement: the American economy continues to maintain its positive trend, and the long recession exhibited by the Euro zone turned in a positive direction at year's end. The Chinese economy is decelerating, but with the help of governmental public finance and monetary policy together with the general worldwide positive economic trends, it seems that large downturns can be avoided. The business environment surrounding us, I think it can be said, is finally getting better.

Next, regarding our own production circumstances as manufacturers of land engines, let us examine the results of our biannual forecast for 20 affiliated companies based on the results of our studies for the year 2015, which were publicly announced this April. According to this forecast, the combination of domestic and international production will total 14.7 million units. This forecasts a 3.0% increase on the previous year. Within this number, gasoline engines are forecast to total 12.64 million units, an increase of 2.5%. Diesel engines will total 1.96 million units, for a similar increase of 6.0%. Gas engines will total 100,000 units domestically. For all areas, the forecast is positive, and can be viewed as a happy outcome.

With respect to overseas production, last year's precipitous weakening of the yen has put on the brakes, particularly for diesel engine production. This year, likely as a reaction to that slowdown, has seen a surge of 5 points in overseas production ratios, yielding a forecast of 30%. On the other hand, gasoline engines are already near the upper limit at a forecast of 80% for this fiscal year, an increase of 1% over the previous year.

Now, I would like to touch on the activities this organization has planned for the current fiscal year. Our plan for 2015 is to return to the starting point of this organization and reconsider our current and past activities based on the theme of the four pillars of our organizational activities: as an organization formed for the public benefit to "promote environmental conservation," "to transmit information about technology," "to publicize data and information," and, as a result of the preceding, "to enhance our services to our members". The results will show us the way to proceed in furthering our organizational activities.

In the area of "promoting environmental conservation," as a founding member of the IICEMA (International Internal Combustion Engine Manufacturers Association), which was formally inaugurated last year, we plan to participate in activities relating to the standardization of international codes within an appropriate framework. The 4th General Meeting of this organization is already planned for Tokyo in the three days beginning on November 9th of this year. We hope to receive help and cooperation from many organizations, beginning with our members. With respect to domestic environmental considerations, we will further increase and ensure the credibility of our organization by producing a third version of our voluntary restraint guidelines on exhaust emissions.

In the area of "transmitting information about technology," we will not only continue the activities of establishing and improving various kinds of standards, which form the basis of this organization's activities, but also work to extend opportunities for transmitting information.

In the area of "publicizing data and information", we will increase the credibility of the Association and explore ways to improve the clarity of available information about its positioning.

In the domain of enhancing our member services which forms the result of the other three activities, we will continue to advance our activities based on the input of our members by means of our existing member lecture series, public relations magazine "LEMA," and our Association home page.

Finally, in order for us, the Land Engine Manufacturers Association, to remain prominent players in the world marketplace, it is important for us to continue working ever harder and taking on even more difficult challenges. And, with regard to our member companies, I am convinced that you will continue increasing your profile through your high-quality engineering and diligent research. We at LEMA intend to continue to properly and effectively carry out our responsibilities hand-in-hand with you all.

Finally, I would like to wish you all the best, and to express my hopes for your future progress and good fortune.