



International Council of Sheet Metal Presswork Associations



# Country Report

September 2026

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**Japan**

*An update since the Summer Interim Meeting, 2 July 2026*

| INDICATOR            | In our July report          | Now                                                                              |
|----------------------|-----------------------------|----------------------------------------------------------------------------------|
| Real GDP             | 0.6–0.8% projected for 2026 | Q2: +0.3% (+1.1% annualised) — third positive quarter, below forecast            |
| Exchange rate        | about ¥161 / USD            | ¥163.9 on 28 July, a record low; joint Japan–US intervention; now about ¥158–160 |
| BoJ policy rate      | 1.0%                        | Held on 31 July; the September meeting is the next decision                      |
| Unemployment         | 2.6% (February)             | 2.4% (July); job openings 1.18 per applicant                                     |
| Inflation (core CPI) | about 1.3%                  | +1.6% — in the 1% range for five months                                          |

## Growth is thin

Consumption and capital spending both fell. Net exports carried the quarter, mainly because oil imports collapsed.

## The yen moved fast

A record low, then the first joint yen-buying with the United States since 1998.

## Prices are calm, costs are not

Consumer inflation is mild. Input costs for a stamping plant are not.

**In one sentence:** Japan is still growing, but the growth is coming from the wrong places. Households and companies both spent less in the second quarter, and the headline was only positive because oil imports fell. Behind that sits a currency that had to be defended jointly with the United States for the first time in nearly thirty years.

# Employment and Wages

Low unemployment, rising labour cost

## Jobs

**2.4%**

Unemployment rate (Jul 2026)

**1.18**

Job openings-to-applicants ratio

## Wages

**¥1,177**

Minimum wage — national weighted average ( +¥56, about +5% )

*The national figure is an average — the actual rate is set prefecture by prefecture*

| Prefecture                       | 2026          | Change      |
|----------------------------------|---------------|-------------|
| Tokyo                            | ¥1,280        | +¥54        |
| Kanagawa                         | ¥1,279        | +¥54        |
| Osaka                            | ¥1,231        | +¥54        |
| Aichi (Nagoya — automotive)      | <b>¥1,195</b> | <b>+¥55</b> |
| <i>National weighted average</i> | ¥1,177        | +¥56        |
| Miyazaki (lowest)                | ¥1,085        | +¥62        |

### What this means

- At ¥56, this is the second largest rise since the guideline system began in 1978 — smaller than last year's record ¥66, but on top of it. Over two years, ¥122, about 12%.
- It takes effect between 1 October and 2 December, by prefecture. Wages are no longer something a small company can hold down in a bad year.
- The gap between the highest and lowest prefecture has narrowed for twelve years running — the rise is steepest where our members' plants are.

**The link to everything else:** the shortage of skilled workers has not changed at all — low unemployment is the reason we cannot hire. If wages, steel and energy all rise together, the only question left for a small supplier is whether any of it can go into the price. That is slide 8.

**In July we said:** *“The temporary 10% surcharge ends just after this meeting. Our real problem is not the rate. It is the uncertainty.”*

## 1 24 July — it ended

The 10% Section 122 surcharge expired at its 150-day legal limit. Congress did not extend it.

## 2 The same morning — a new layer

New Section 301 duties took effect on 60 economies. For Japan the rate is 12.5% including the normal duty, not stacked on top of it.

## 3 Metals were carved out

Goods already under Section 232 are excluded. Steel, aluminium, copper, cars and parts keep their existing rates. The two do not stack.

## Still open

A second Section 301 case, on manufacturing overcapacity, covers 16 economies including Japan. There is still no decision, and the legal deadline runs into March 2027. The sectors named include machinery, machine tools, cars and aluminium.

## Our reading

One layer ended and another began on the same morning. The number our members pay moved very little. The distance we can plan ahead did not improve.

**Japan's position:** the rate is manageable; the constant re-basing of the rules is not. We continue to ask for predictable, fair trade conditions.

**In July we said:** *“CBAM is charged on the carbon inside the steel sheet, not on the pressing work. Finished stamped parts are outside the scope.”*

**12 June 2026**

EU Council agreed its position on widening the scope.



**September 2026**

The European Parliament is expected to set its position.



**1 January 2028**

180 further products would come into scope.

## What would be added

- Fabricated metal products, machinery and industrial equipment, and vehicle parts.
- Mostly intermediate goods, averaging around 79% steel or aluminium by content.
- The stated purpose is to close the route where steel is pressed outside Europe and the finished part is imported instead.

## What it means for stampers

The charge would still fall on the carbon inside the steel, not on the pressing itself. That part of our July explanation still holds.

What changes is who has to measure and report. The duty would reach the part, and therefore the company that made it.

**Key for stamping:** the cost still arrives through the steel, but the paperwork would arrive at our door.

**Japan's position:** we support the objective. We ask for measurement rules a small supplier can actually follow, and we already price carbon at home through GX-ETS.

## Oil & LNG

Still high. Disruption in the Strait of Hormuz cut Japan's crude imports sharply in the second quarter, enough to show in the national accounts.

## Weak yen

Every imported unit of energy costs more in yen. The record low in late July made this worse before the currency recovered.

## Gov. support

Covers July to September usage only. For industrial high-voltage users the discount is ¥1.8 to ¥2.3 per kilowatt-hour.

## Fuel

A subsidy steps in when the national average petrol price is expected to pass roughly ¥170 per litre.

**The support ends with September. The cost does not.** Subsidies smooth the bill for a season. They do not change the underlying price of imported energy.

The question a small supplier actually faces is unchanged from July: can the higher cost be put into the selling price? That is the subject of slide 8.

An earthquake of magnitude 7.1 struck Kumamoto in south-west Japan, the highest reading on the Japanese intensity scale. Within a week it had stopped car plants 900 kilometres away.

## 1 The bottleneck was a parts plant

Damage was concentrated in suppliers, not in the carmakers. One damaged second-tier parts plant was enough to halt assembly.

## 2 It spread far from the epicentre

Plants in Kyushu stopped first. Then Toyota's Tahara plant in Aichi, far to the east, from 3 August. Honda, Nissan, Daihatsu and Mitsubishi were all affected.

## 3 Semiconductors recovered faster

Sony and Renesas halted their Kumamoto plants for inspection and restarted through early August. Chips came back before pressed parts did.

## 4 Recovery took about three weeks

All fourteen of Toyota's domestic plants were running again on 17 August. Honda restarted on 20 August.



**What we learned:** The dispersed production and buffer stock our industry adopted after the 2016 Kumamoto earthquake shortened the stoppage. They did not prevent it. A single second-tier site can still stop the country. In July we said Japan is moving from lowest cost first to resilience first. In August we found out what that is worth, and what it still does not cover.

# Other Policy Measures

## Price pass-through, carbon and labour

### Fair price pass-through — the first full year

#### In force since January

The new law stops a buyer freezing prices without real negotiation. 2026 is its first full year.

#### Behaviour is published

Twice a year the government reviews how large buyers actually behave, and publishes the result.

#### Naming works

In practice, publishing behaviour has proved more effective than the rule itself.

#### Why it matters most

Almost every member of our industry is a small supplier. This is our single most important domestic policy.

#### Carbon

GX-ETS became mandatory this fiscal year for large emitters. It is Japan's own answer to carbon cost, and the reason we ask for CBAM rules that recognise a domestic carbon price.

#### Labour

Automation and digital investment subsidies continue. The Specified Skilled Worker route keeps widening, which matters for a sector that cannot fill its shop floor.

**What it means:** cost increases are no longer absorbed by subcontractors but passed fairly up the chain. For our members this is a question of survival, not of margin.



金属プレス加工を手掛ける久野金属工業の久野 剛社長に、同社が2017年から進めてきたデジタル化とAI活用の取り組みについてご講演いただきました。

講演ではまず、少子高齢化による人材不足や国際情勢の不透明化に加え、「AI革命」が製造業を取り巻く最大の環境変化であると指摘した。AIの進化速度は加速度的に高まっており、今後はITやソフトウェアの優位性が薄れ、実態にモノを生み出す製造業の価値が再評価される時代になるとの見解を示した。

同社では、AI活用の前提として「現場データが蓄積される仕組みづくり」が不可欠と考え、設備稼働を見える化するIoTシステムを独自開発、稼働率や停止要因、サイクルタイムなどをリアルタイムで把握できる環境を整備した。その結果、現場の改善活動が加速し、残業時間は半減、設備投資の抑制にもつながったという。

さらに、コロナ禍を契機に浮き彫りとなったのが、人に依存する技能やノウハウの継承問題である。同社では、作業手順書とチェックシートを一

体化したシステムを開発し、日々の業務の中でマニュアルを活用・更新する仕組みによって、知識や改善事例が自然と蓄積される環境を構築している。

また、Microsoft Teamsを全社的な情報基盤として活用し、議事録や図面、改善記録などを集約。AIが活用できる形にデータを整理することで、社内知識を検索・活用しやすい環境づくりを進めている。講演では、「AIはデータが整理されて初めて力を発揮する」と強調した。

AI活用の具体例としては、議事録作成、翻訳、メール作成、金型トラブル対応支援、マニュアル作成、OCRによる帳票データ化などを紹介。特に、専門知識を学習させた独自GPTの活用や、AI活用会議を導いた全社的なノウハウ共有により、現場急の改善事例が次々と生まれているという。

講演の締めくくりとして久野社長は、「AI導入そのものが目的ではなく、現場の事実を集め、人の知恵やノウハウを見える化し、それを会社全体の知恵として蓄積することが重要」と述べた。そして、AIの成長を追い風にしながら企業全体が成長する仕組みづくりこそが、これからの製造業に求められるDXであると訴えた。

## Japan chose promotion, not restriction

- The AI Promotion Act has been fully in force since September 2025.
- A national AI Basic Plan was adopted by the Cabinet in December 2025.
- Obligations on companies are duties of effort. There are no penalties. This is a deliberately different approach from the European AI Act.
- 2026 is the year the plan turns into actual programmes and budgets.

## Money, and the shop floor

- The national IT subsidy for small firms was renamed this year the Digitalisation and AI Adoption Subsidy, and now names AI tools directly.
- Support is aimed at sectors with labour shortages, and manufacturing is one of them.
- Our member example from July, Kuno Metal Industries: visualisation of shop-floor data, quality control using OCR, and passing skills to the next generation.

## Our view

For a small stamping company, AI is not mainly about productivity. It is about keeping knowledge in the building when experienced people retire. That is why we are interested in the training material PMA and CBM raised in July, and why Japan would be glad to take part in a shared discussion at this meeting.

## Next-Gen Committee — third meeting, held in Osaka

Younger managers from our member companies meet to train, and to build the relationships they will need later in their careers. The group draws on 31 member companies, with an average age of 42. For an industry losing skilled people to retirement, keeping the next generation connected to one another matters as much as any policy on this list.



Two months ago we told you the pressure in Japan lands on the small and medium suppliers at the centre of our industry.

Since then a tariff layer was replaced, a carbon rule moved closer to our parts, and an earthquake stopped our factories. The place it lands has not changed.

Through innovation, digitalization and people, Japan's metal stamping sector keeps moving forward. JMSA remains committed to sustainable manufacturing and global collaboration through ICOSPA.

**Thank you.**