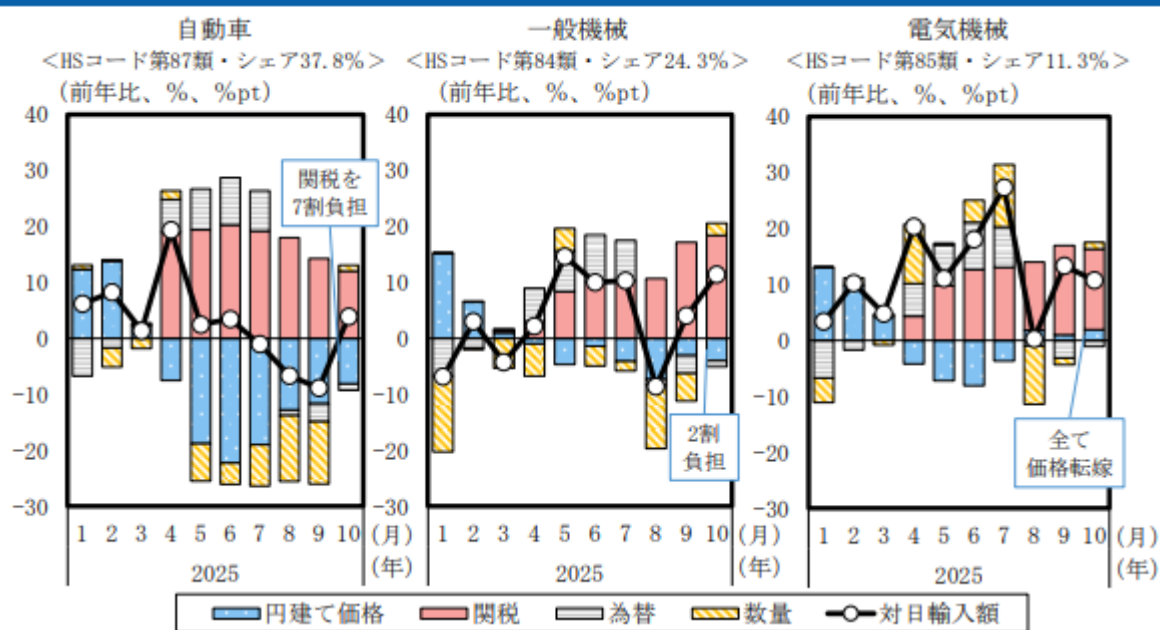


This is an article on the price pass-through in reaction to the Trump Tariff. Answer the questions.

1. What are the three leading export industries of Japan in this analysis?
2. How much did automobile industries change their export prices to the US?
3. How different is the price policy taken by general and electrical machinery from automobiles in response to the Trump Tariff?
4. Why did general and electrical machinery see a sharp decline in quantity in August?
5. Can you guess the reason for the pricing policy difference between automobiles and machinery?

図表 4：米国の関税込みの対日輸入額の要因分解



大和証券「トランプ関税の影響緩和に作用した企業対応」

https://www.dir.co.jp/report/research/economics/japan/20251219_025480.htm

While automobiles bear approximately 70% of the additional tariff costs, general machinery and electrical machinery have seen progress in price pass-through to customers. So, to what extent has price pass-through progressed in response to the Trump tariffs? Figure 4 shows the results of decomposing the changes in U.S. import values from Japan (in yen terms, including tariffs) for the top three items—which account for 70% of Japan's export value to the U.S.—into yen-denominated price, tariffs, exchange rates, and quantity.

Focusing on automobiles, in April, the yen appreciated (stronger yen), and with the imposition of additional tariffs, U.S. import values from Japan surged by nearly +20% year-on-year. In May, companies significantly lowered their export prices, causing the growth to moderate to around +2%. From August onward, price pass-through of the additional tariffs advanced to some extent, but even recently, the pass-through rate remains at only about 30%, with companies absorbing the remaining roughly 70% (shown as yen-denominated price / tariffs in the figure). During this period, a shift toward local production has also led to a visible decline in quantity.

In contrast, for general machinery and electrical machinery, the tariff rate increases were more limited compared to automobiles, so export price reductions were confined to only some cases. Although tariff rates were further raised from August onward, recently general machinery companies are bearing about 20% of the additional tariffs, while for electrical machinery, the full amount of the additional tariffs has been reflected in selling prices. Thanks to this progress in price pass-through, U.S. import values from Japan have been running at more than +10% year-on-year.

Looking at the impact on quantity, both items saw a sharp decline in August. This is likely the reactionary drop following front-loaded demand in anticipation of the mutual tariff rate being raised to 15%. From September onward, no major drops are observed, but among general machinery items—such as printing presses—some categories are showing weakness due to the effects of price increases. Going forward, it will be important to monitor whether the negative impact on export volumes from price hikes spreads to a wider range of items.