

JAPANESE INDUSTRY AND POLICY NEWS

August 2018

LEGISLATION AND POLICY NEWS

METI Releases Interim Report by Strategic Commission for the New Era of Automobiles

In April 2018, the Ministry of Economy, Trade and Industry (METI) launched a Strategic Commission for the New Era of Automobiles, hosted by METI Minister Hiroshige Seko. Since then, the commission has been holding discussions on strategies that the Japanese automobile industry, amid dramatic changes in business environments surrounding automobiles, should take to lead global innovations and proactively contribute to solutions to global issues including climate change. On August 31, METI released an interim report based on the commission's discussion results.

The report sets long-term goal that Japan should achieve by 2050, including: advance the shift of vehicles produced by Japanese automakers in global markets to xEVs (electrified vehicles, including battery electric vehicles, plug in-hybrid electric vehicles, hybrid electric vehicles and fuel cell electric vehicles); bring about environmental performance at the world's highest level; and contribute to realizing a "Well-to-Wheel Zero Emission" policy (to reduce emissions a vehicle's total emissions footprint to zero, from fuel and power production to automobile operation). Moreover, the report set basic policies and concrete key actions to achieve these long-term goals.

In light of the interim report, METI said that it would endeavor to carry out these key actions without delay.

http://www.meti.go.jp/english/press/2018/0831_003.html

http://www.meti.go.jp/english/press/2018/pdf/0831_003a.pdf

Public-Private Conference for Future Air Mobility Established

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) have jointly established the Public-Private Conference for Future Air Mobility bringing together stakeholders in the public and private sectors to realize "flying vehicles" in Japan. The first meeting of the conference was held on August 29.

Advanced examples of Japanese companies' efforts for flying vehicles



Drone Fund



CARTIVATOR



NEC*

*Note: This figure shows an unmanned demonstration device developed by NEC to examine a control technology for large scale vehicles. The company will support CARTIVATOR in realizing flying vehicles using the control technology.



PRODRONE



teTra aviation



Temma

http://www.meti.go.jp/english/press/2018/0824_001.html

http://www.meti.go.jp/shingikai/mono_info_service/air_mobility/001.html

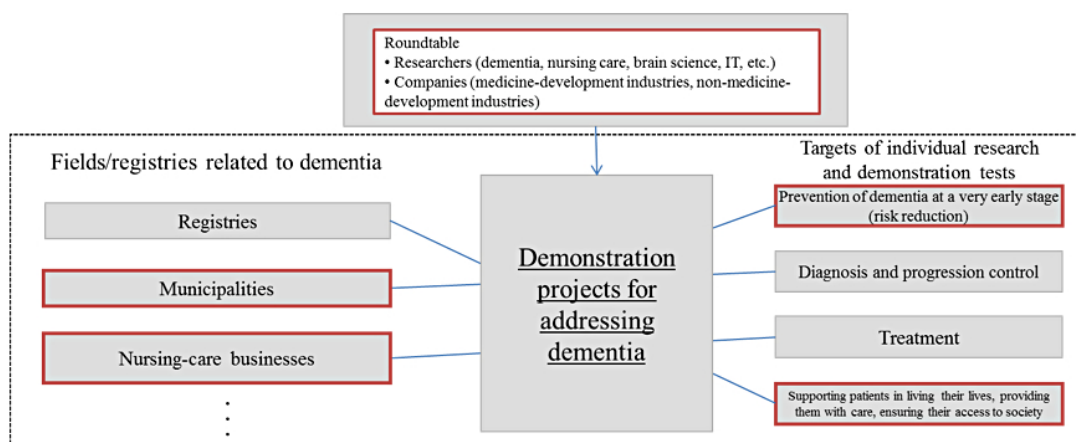
(in Japanese)

METI Launches Roundtable for Developing New Products and Services that are “Friendly to Dementia Patients”

The Ministry of Economy, Trade and Industry (METI) launched on August 7 a roundtable of experts under the Project for Establishing a Public-Private Joint Demonstration Platform for Dementia Patients, a project commissioned to the Japan Agency for Medical Research and Development (AMED).

The roundtable aims to develop an environment in which people are able to reduce the potential risk of dementia in the earliest stages of the symptoms, and for those already suffering from dementia, receive measures that support them in daily life and ensure access to society and social connections.

[Conceptual flow of developing a public-private joint platform for addressing dementia]



http://www.meti.go.jp/english/press/2018/0807_003.html

Winners of the Award for Academic Startups 2018 Program Selected

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Education, Culture, Sports, Science and Technology (MEXT) jointly announced the Winners of the Award for Academic Startups 2018 Program on August 10.

Winners of METI Minister's Award and their outline are as follows:

Startup: Mr. Jun-ichi Idesawa, CEO, AISing, Ltd.

Supporter: Chyon-Hae Kim, Associate Professor, Faculty of Science and Engineering, Iwate University

Outline: AISing, Ltd. is a startup based in Iwate University. The company successfully developed its unique AI algorithm called "Deep Binary Tree (DBT)" and has been deploying business taking advantage of the algorithm.

MEXT Minister's Award was given to Material Concept, Inc., a manufacturer of copper paste, represented by Ms. Miho Koike, CEO, with supporters including Mr. Jun-ichi Koike, Professor, New Industry Creation Hatchery Center (NICHe), Tohoku University and Mr. Yosuke Matsufuji, Vice President, Innovation Network Corporation of Japan (INCJ).

http://www.meti.go.jp/english/press/2018/0810_001.html

<https://aising.jp/> (in Japanese)

<http://www.mat-concept.com/english/>

JPO Selected Ten Startups as the First Recipients of Support Measures under IPAS

On August 30, the Japan Patent Office (JPO) selected ten startups as the first

recipients of support measures under the IP Acceleration Program for Startups (IPAS). For each selected startup, the JPO will convene “IP Mentoring Teams” consisting of experts with skills to overcome challenges faced by the startups and will support the startups in building IP strategies for accelerating their business. JPO selected companies include such companies as Axelspace Corporation (Designing of micro satellites and development of solutions utilizing satellite images), aceRNA Technologies (Development of a cell sorting device taking advantage of RNA switches in the field of regenerative medicine) and Sonas Inc. (Development of power-saving and high-quality sensing technologies taking advantage of wireless sensing networks using simultaneous transmission flooding technology).

http://www.meti.go.jp/english/press/2018/0830_003.html

JPO Starts Design-Driven Management

On August 9, the Japan Patent Office (JPO) assigned a new position titled “Chief Design Officer” (hereinafter referred to as the “CDO”) and a new team titled “Design-Driven Management Project Team” under the supervision of the CDO aiming to improve JPO services. Through these actions, the JPO will renovate its services from a user perspective, to improve friendliness to a wide variety of users, and to support enhancement of effective use of intellectual property as a source of competitiveness in global markets.

As a first step to start the Design-Driven Management, the JPO will make use of design in order to improve public relations and to gather needs of users who have never used intellectual property rights.

http://www.meti.go.jp/english/press/2018/0809_003.html

SURVEY AND BUSINESS DATA

Slightly Higher Wage Increase Agreed by SMEs

According to a statistical survey of the Japan Business Federation (Keidanren) published on August 7, average wage increase agreed by labor management negotiations in small and medium sized enterprises (SMEs) in 2018 is slightly higher than 2017. It is an average of 412 responding SMEs with less than 500 employees.

The average wage increase agreed for all industries in this year is calculated at

4,804 Yen per month. It corresponds to an increase of 1.89% from the previous year. In 2017 it was 4,586 Yen (1.81%) as compared to 2016.

By industry, manufacturing sector's increase (2.01%) is higher than that of non-manufacturing sector (1.70%) while the highest increase of 3.71% is recorded by the financial industry in non-manufacturing sector.

<http://www.keidanren.or.jp/policy/2018/067.pdf>

COMPANY NEWS

World's First Payed Verification Test of Autonomous Driven Taxi

HINOMARU Kotsu Co., Ltd., a large scale taxi company in Tokyo area and ZPM Inc. implemented a verification test of autonomous driven taxi for the period of August 27 – September 8. According to the two companies, it was the first test in the world involving paying customers.

Passengers were selected among applicants registered on the designated web site. They were required to pay 1,500 yen for a ride between the two fixed sites in center of Tokyo. Booking and some communications between the car and clients were made through smartphones with special application software.



<https://hinomaru.tokyo/messages/87> (in Japanese)

<https://www.zmp.co.jp/aidelitaxi/overview> (in Japanese)

Skylark Group to Phase Out Use of Single-Use Plastic Straws

Skylark Holdings Co., Ltd., a leading company in Japan's restaurant industry announced on August 17 that it would eliminate single-use plastic straws from all restaurants operated by the Skylark Group including overseas locations. As a first step, use of the disposable plastic straws at all self-service drink areas ("Drink Bars") in the approximately 1,370 Gusto restaurants across Japan will be phased out by December 2018. The use of plastic straws will be phased out across all Skylark Group brands and is scheduled to be completed by the time of 2020 Tokyo Olympics and Paralympics.

Skylark explains the reason for this decision as follows.

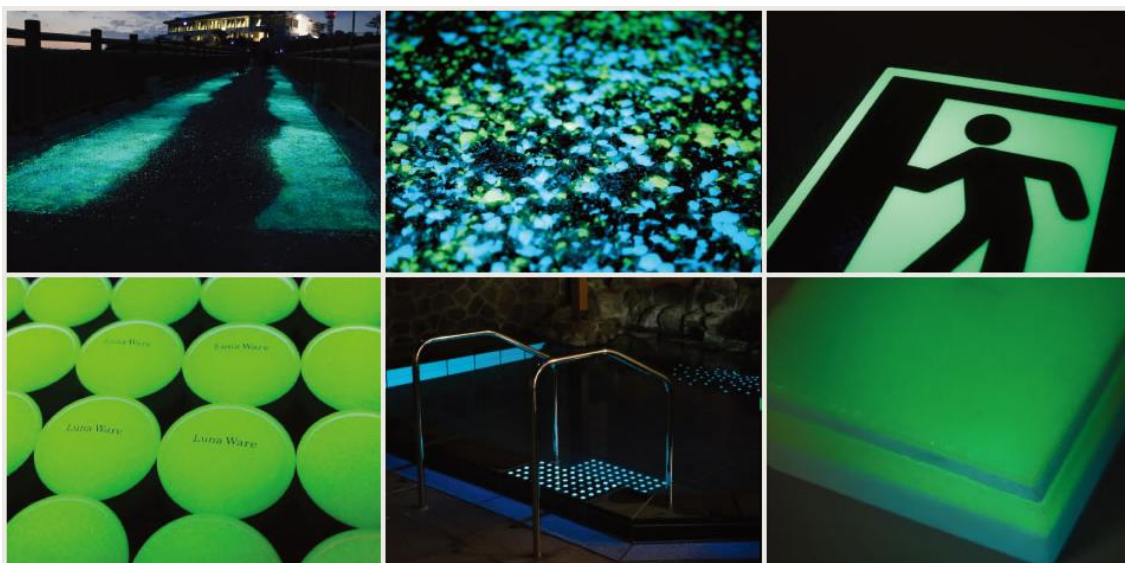
"Widespread marine pollution due to waste plastics and deteriorating coastal scenery due to waste that has washed ashore are serious environmental issues globally, and we believe it is our corporate responsibility to take actions to prevent marine pollution."

<http://v4.eir-parts.net/v4Contents/View.aspx?cat=tdnet&sid=1624618>

A Small Company of Osaka Contributed to the Successful Rescue Operation of Thai Cave Boys

The METI Journal of August 14 features a story of Codomo Energy Co., Ltd., a small manufacturer of light emitting ceramics in Osaka, contributed to the successful rescue operation for the 13 Thai boys locked in an inundated cave in July.

According to the METI Journal, Mr. Yasunori Iwamoto, President of Codomo Energy was on a business trip in Thailand at the time of the incident. He immediately decided to donate 600 units of Luna Ware light emitting ceramics brought with him to the rescue team. Luna Wares were used as underwater guiding light to show the escape route.



Examples of Luna Ware usage (Codomo Energy)

<https://meti-journal.jp/p/325> (in Japanese)

<http://www.codomo-e.co.jp/english/>

ADDITIONAL TOPICS

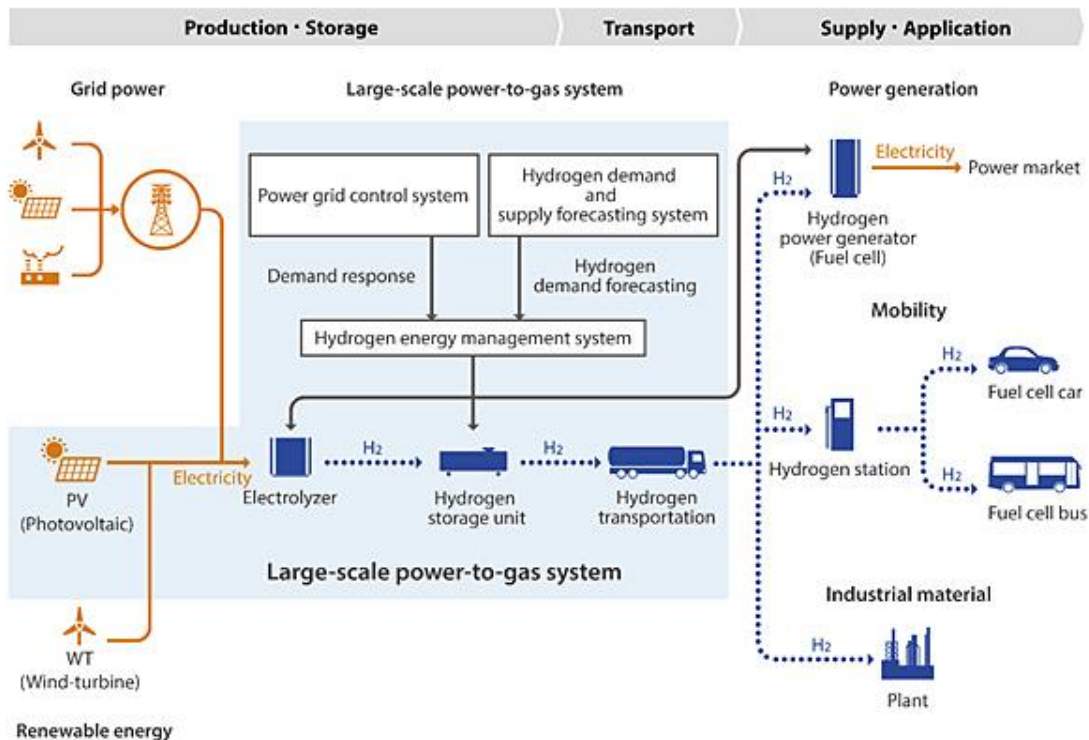
Construction of Fukushima Hydrogen Energy Research Field Starts

The New Energy and Industrial Technology Development Organization (NEDO), Toshiba Energy Systems & Solutions Corporation (Toshiba ESS), Tohoku Electric Power Co., Inc. and Iwatani Corporation announced on August 9 that it has started construction of Fukushima Hydrogen Energy Research Field (FH2R), a large-scale hydrogen energy system in Namie-cho, Fukushima prefecture.

FH2R will operate a 10,000kW class hydrogen production facility that will start operation in 2020, after final tests to verify the technologies. Hydrogen produced at FH2R will be used to power fuel cell vehicles and to support factory operations.

FH2R will produce and store up to 900 tons of hydrogen a year, using renewable energy. It will use a new control system to coordinate overall operation of the hydrogen energy system, the power grid control system, and the hydrogen demand forecast system, so as to optimize hydrogen production, hydrogen electricity generation and hydrogen gas supply.

System and structure of FH2R



http://www.nedo.go.jp/english/news/AA5en_100393.html

Japan's First Barge-type Floating Wind Turbine Platform to be Tested

The New Energy and Industrial Technology Development Organization (NEDO), together with a consortium consisting of Marubeni Corporation, Hitachi Zosen Corporation et al announced on August 10 that Japan's first demonstrator of barge-type floating wind turbine platform was completed. It can be installed in a very shallow sea area where the water depth is about 50 meters. Its rated power is 3 megawatts.

The platform will be towed to the offshore near to the City of Kitakyushu in the western part of Japan and undergo a verification tests until FY2021.



http://www.nedo.go.jp/news/press/AA5_101008.html (in Japanese)

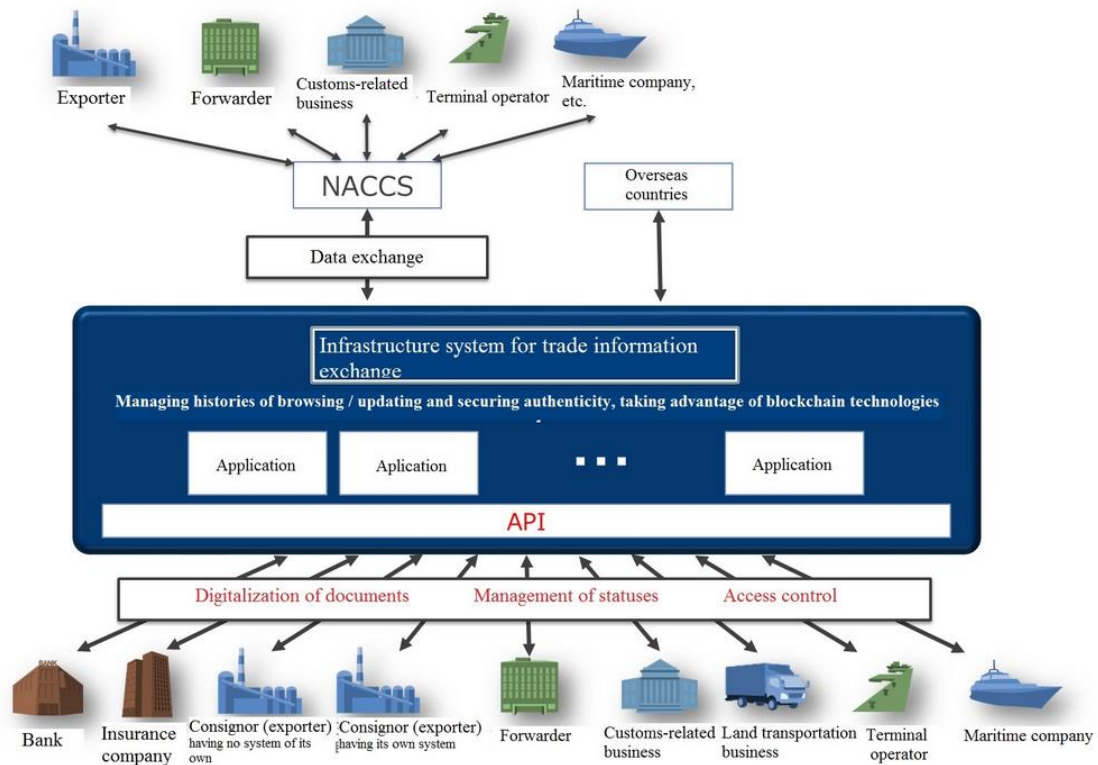
Successful Applicants for NEDO Project for Enhanced Efficiency of Trade Procedures in Global Supply Chains

The Ministry of Economy, Trade and Industry (METI) announced on August 23 that the New Energy and Industrial Technology Development Organization (NEDO) determined and adopted businesses participating in the Project for the Development of Infrastructures for Creating New Industrial Models Taking Advantage of IoT: Enhanced Efficiency of Trade Procedures in Global Supply Chains.

NEDO, the operator of the project, called for applicants for participating businesses in the project, and then determined and adopted the following two companies as participants in the project.

Initiative involving establishment and demonstration of the system: NTT DATA Corporation

Initiative involving research for data standardization: Nomura Research Institute, Ltd.



Overview of a new infrastructure system for trade information collaboration

http://www.meti.go.jp/english/press/2018/0823_002.html

Demonstration Test for Evaluation of Last-Mile Autonomous Driving Using Small Buses with Autonomous Driving Function to Start

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) announced on August 27 that they would jointly initiate a demonstration test to evaluate last-mile autonomous driving using small buses with a built-in technology equivalent to the Level 4 autonomous driving technologies for a distance of 3.2 km on part of the Hitachi BRT, a busway and a general road, through a project commissioned to the National Institute of Advanced Industrial Science and Technology (AIST). Test period is scheduled for October 19 - 28 and the test site will be Hitachi city, Ibaraki prefecture.



Experimental vehicle to be used in demonstration test

http://www.meti.go.jp/english/press/2018/0827_003.html

<http://www.meti.go.jp/press/2018/08/20180827002/20180827002-1.pdf> (in Japanese)

Five Areas were Selected for Verification Test of Drone Delivery Service

The Ministry of Land, Infrastructure Transport and Tourism (MLIT) selected following five areas for verification test of drone using delivery service to overcome challenges in distribution in remote and/or depopulated areas.

(1) Area: Minamisoma city (Fukushima prefecture)

Principal operator: Autonomous Control Systems Laboratory Ltd. (ACSL)

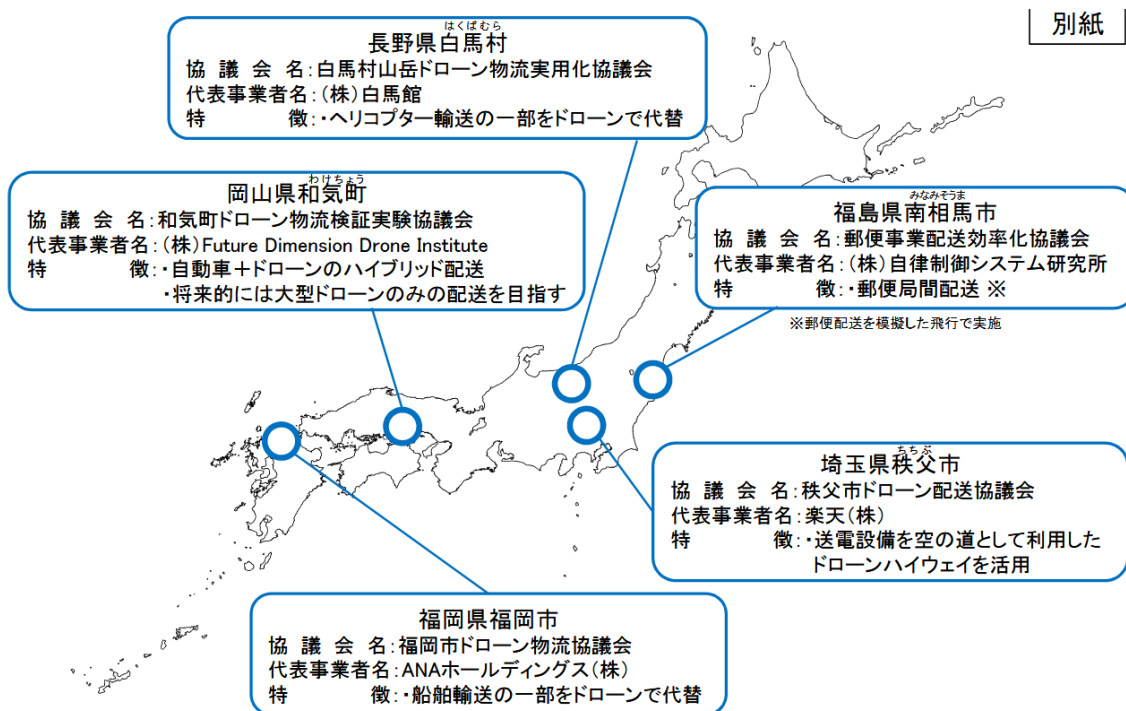
(2) Chichibu city (Saitama pref.), Rakuten, Inc.

(3) Hakuba village (Nakgano pref.), Hakubakan Co., Ltd.

(4) Wake town (Okayama pref.), Future Dimension Drone Institute

(5) Fukuoka city (Fukuoka pref.), ANA Holdings Inc.

Areas for drone delivery experiment
(Clockwise from the top – Hakuba village, Minamisoma city, Chichibu city,
Fukuoka city and Wake town)



<http://www.mlit.go.jp/common/001250424.pdf> (in Japanese)

METI Held Third Public-Private Meeting on Brexit

On August 9, the Ministry of Economy, Trade and Industry (METI) held the Third Public-Private Session on the Departure of the United Kingdom from the European Union (Brexit), bringing together 12 companies and associations developing business in the U.K. METI explained the progress in EU-U.K. negotiations while participating companies and associations explained the progress of their efforts for addressing the departure and presented their requests related to this issue for the Japanese government.

http://www.meti.go.jp/english/press/2018/0809_002.html

<http://www.meti.go.jp/press/2018/08/20180809003/20180809003-1.pdf> (in Japanese)