

JAPANESE INDUSTRY AND POLICY NEWS

January 2020

LEGISLATION AND POLICY NEWS

Renewables to Become Japan's Main Sources of Power Supply

On January 21, Japanese government set a “Revolutionary Environment Innovation Strategy” at the 6th Integrated Innovation Strategy Promotion Council, aiming at developing revolutionary technology which can contribute to the reduction of world CO₂ on stock basis (“beyond zero”) by 2050. Also, it rated renewable energies of high performance solar power, supercritical geothermal power and floating type offshore wind power as Japan's main sources of supply.

<https://www.kantei.go.jp/jp/singi/tougou-innovation/pdf/kankyousenryaku2020.pdf> (in Japanese)

AIST to Establish International Joint Research Center for Zero-Emission Technologies

The Ministry of Economy, Trade and Industry (METI) announced on January 17 that the National Institute of Advanced Industrial Science and Technology (AIST) would establish a new body at the end of January 2020, called the “International Joint Research Center for Zero-Emission Technologies,” aiming to: conduct research for innovative technologies to achieve a low-carbon society; and create pioneering environmental innovations to achieve a zero-emission society. Dr. Akira Yoshino, 2019 Nobel Prize winner in chemistry and Honorary Fellow of Asahi Kasei Corporation, will take office as the director of the center,

The International Joint Research Center for Zero-Emission Technologies will conduct research for innovative environmental and energy technologies, including in the fields of renewable energy, storage batteries, hydrogen, separating and utilizing carbon dioxide, and artificial photosynthesis, jointly with leading national research institutes and other famous organizations mainly in G20 member countries,

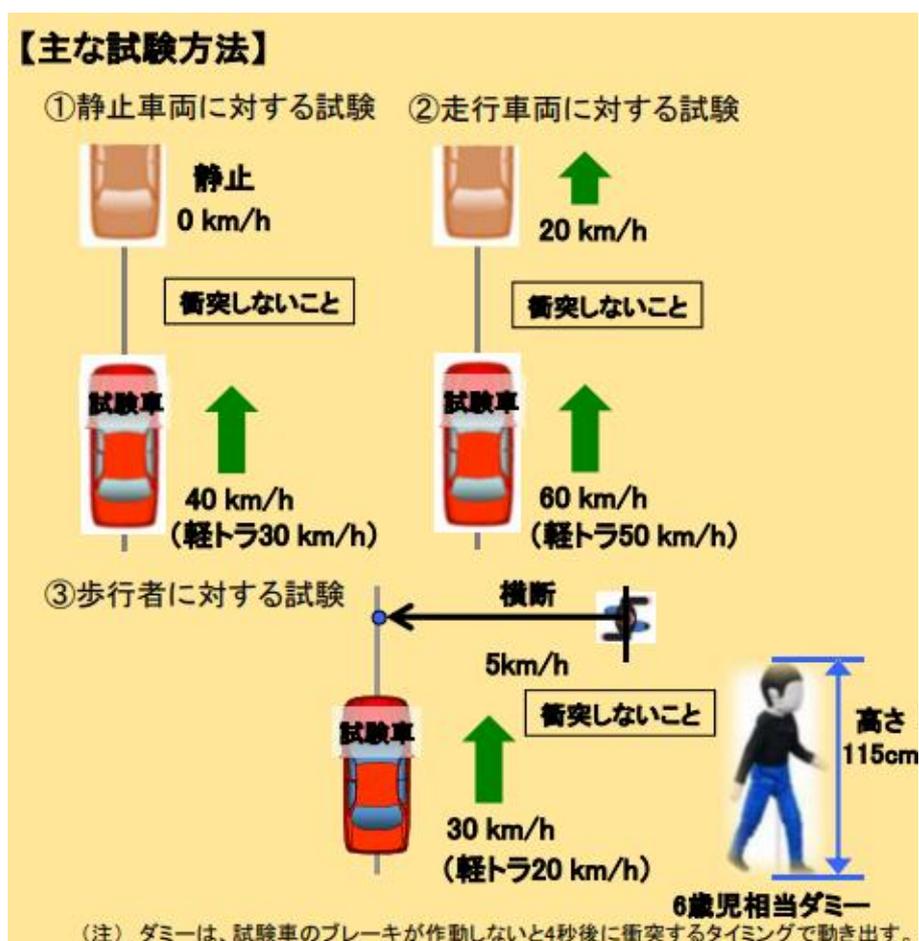
https://www.meti.go.jp/english/press/2020/0117_001.html

Advanced Emergency Braking System Will Become Obligatory for New Cars

Ministry of Land, Infrastructure, Transport and Tourism (MLIT) announced on January 31 that it would make obligatory for new cars to be marketed in Japan to be equipped with the Advanced Emergency Braking Systems (AEBS). It will be the first in the world to make the AEBS obligatory. The new regulation takes effect in November 2021 for the Japanese new models and in July 2024 for the imported new models. For existing models, implementation dates are set for later days, i.e. December 2025 for Japanese cars, July 2026 for imported cars.

Japan decided to introduce the new regulations after the United Nations Economic Commission for Europe adopted relevant proposal in June 2019. The European Union is expected to introduce similar regulations in July 2024.

Chart: Major criteria for avoiding collision by the AEBS (case ① against inactive vehicle, case ② against running vehicle, case ③ against pedestrian)



http://www.mlit.go.jp/report/press/jidosha08_hh_003618.html (in Japanese)

<http://www.mlit.go.jp/report/press/content/001326170.pdf> (in Japanese)

Act on the Rational Use of Energy was Revised Partially

On January 21, the Cabinet decided to approve the Cabinet Order for the Partial Revision of the Order for Enforcement of the Act on the Rational Use of Energy. Concerning the Top Runner Program, Japan's initiative to encourage industries to improve the energy-consumption efficiency and other performance of their products, the revised Order for Enforcement, for the purpose of encouraging the transport sector and the business and household sectors to further promote energy conservation, is to take new measures of (1) adding electrified vehicles to the coverage of regulated "automobiles"; and (2) adding heat insulation materials made of rigid polyurethane foam to the coverage of regulated "heat insulation materials".

https://www.meti.go.jp/english/press/2020/0121_001.html

Tokyo to Promote Hydrogen Society during the Olympic/Paralympic Games

Tokyo Municipal Government announced on January 24 that it would promote "Hydrogen Society" during the Olympic and Paralympic games. Tokyo's promotional activities include using hydrogen for the Olympic Flame and Torches, supplying hydrogen-originated electricity to the athletes' quarters, using fuel cell cars in power supply for projection mapping and introducing fuel cell buses for transportation.

<https://www.metro.tokyo.lg.jp/tosei/hodohappyo/press/2020/01/27/30.html>

(in Japanese)

SURVEY AND BUSINESS DATA

Preliminary Report of 2019 Basic Survey of Japanese Business Structure and Activities Compiled

The Ministry of Economy, Trade and Industry (METI) has been conducting a survey titled the "METI Basic Survey of Japanese Business Structure and Activities" with the aim of: clarifying how the management strategies of Japanese enterprises and industrial structures actually evolve. The preliminary report of the 2019 which was published on January 30 compiled actual results from FY2018, covering 28,270 enterprises. Key points revealed in the report are as follows.

Sales per company increased by 1.3% on a year-on-year basis, an increase for

two consecutive years, while operating profit per company showed a decrease by 3.2% on a year-on-year basis for the first time in seven years.

The ratio of ordinary profit to sales per company decreased by 0.2 percentage points on a year-on-year basis for the first time in seven years.

Value added decreased due to a decrease in operating profits and other factors.

Labor share ratio increases due to an increase in the total payroll and a decrease in gross value added.

https://www.meti.go.jp/english/press/2020/0130_003.html

Study Group on Security Assessment of Cloud Services Compiles its Discussion Results into a Report

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Internal Affairs and Communications (MIC) launched a Study Group on Security Assessment of Cloud Services in August 2018 to encourage both the public and private sectors to introduce cloud services into their systems in a safer and more secure manner. Since then, the study group has been holding discussions on necessary approaches to assessing cloud services to see if such services satisfy certain requirements for security in order to be introduced into the government. As an outcome of the discussions, it compiled a report which was announced on January 30. In parallel with this, the Cybersecurity Strategic Headquarters decided on (1) a basic framework of this assessment system (hereinafter referred to as the “system”), (2) approaches to making use of the system in the respective governmental organizations and other entities, and (3) the administrative jurisdiction and the operation structure concerning the system.

https://www.meti.go.jp/english/press/2020/0130_002.html

Japan Registered the Largest Trade Deficit against the EU in 2019

According to the trade statistics that the Ministry of Finance published on January 30, Japan’s export to the world was 76,928 billion yen and its import from the world was 78,576 billion yen in 2019. It is a decrease of 5.6% for export and 5.0% for import respectively as compared to the previous year.

By commodity, parts of motor vehicles, iron & steel products and motor vehicles contributed to the total export decrease whereas reduction of petroleum, petroleum products and liquefied natural gas (LNG) were remarkable in import. As a result, trade balance was in deficit of 1,648 billion yen.

As for trade with the EU, Japan's export was 8,956 billion yen (down 2.8% from 2018) and its import was 9,712 billion yen (down 0.1% from 2018), resulting in Japan's deficit of 757 billion yen which is the largest in history. Main items contributing to the total reduction of Japanese export to the EU were ships, medical products and semiconductors whereas motor vehicles, power generating machines and organic chemicals were major reasons for the decrease in Japan's import from the EU.

https://www.customs.go.jp/toukei/shinbun/trade-st_e/2019/2019_115e.pdf

Annual Foreign Visitors Surpassed 30 million for the First Time

According to a monthly statistic of the Japan National Tourism Organization (JNTO) published on January 17, the number of foreign visitors to Japan in December was estimated at 2.53 million people, which is a decrease of 4.0% as compared to the same month of the previous year. A reduction of Korean visitors influenced to the total decrease.

Cumulative number of foreign visitors for January-December 2019 is estimated at 31.88 million people which is an increase of 2.2% from 2018. It is the first time that the annual number of foreign visitors surpassed the 30 million mark. By country, China (9.6 million people), South Korea (5.6 million people) and Taiwan (4.9 million people) were "Top 3". While China and Taiwan registered increase (by 14.5% and 2.8% respectively), South Korea showed a big decrease of 25.9% from the previous year.

As for European countries, all of the UK (424,200 people), France (336,400), Germany (236,500), Italy (162,800), Spain (130,200) and Russia (120,000) recorded increase from the previous year in a range of 8.5% (Italy) and 27.0% (UK)

https://www.jnto.go.jp/jpn/statistics/data_info_listing/pdf/200117_monthly.pdf

Number of Foreign Visitors by Cruising Vessel Decreased in Two Consecutive Years

According to a preliminary statistical report that the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) published on January 23, the number of foreign visitors using cruising vessels was 2.15 million in 2019. It is a decrease by 12.2% as compared to the previous year, resulting in a reduction of foreign visitors by cruisers for two consecutive years. It is because shipping companies reduce cruising vessels to China as a countermeasure to

deteriorating profitability due mainly to intensified competition, the MLIT analyzes.

http://www.mlit.go.jp/report/press/port04_hh_000270.html (in Japanese)

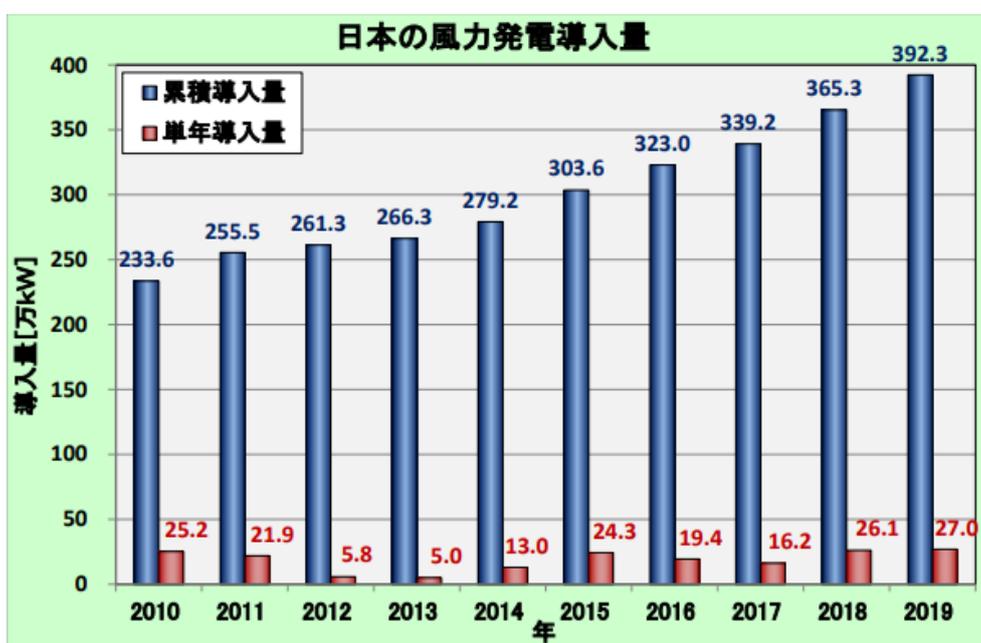
Wind Power Installation Shows Sign for Increase

According to a report of the Japan Wind Power Association (JWPA) published on January 15, installed capacity of wind power generation at the end of 2019 totaled 3,923 MW and 2,414 units. Net new installation for 2019 was 270 MW, 104 units, 17 sites. The annual new installation has slightly increased from 261 MW in 2018, reaching the highest in Japanese history.

Over 2,916 MW of projects including 1,398 MW offshore wind projects are in the process of Environmental Impact Assessment (EIA). They will get ready for construction within 5-7 years, the JWPA says.

New Installation of Wind Power in Japan
(Red=Yearly installation, Blue=Cumulative installation)

Unit: 10 MW



http://jwpa.jp/page_292_englishsite/jwpa/detail_e.html

Mercedes Keeps Top Share as Imported Cars

According to the statistics that the Japan Automobile Importers Association (JAIA) published on January 9, the number of imported new cars registered in

2019 was 298,378. It is a decrease by 3.2% as compared to the previous year. By brand, Mercedes-Benz kept top share for the five consecutive years with 66,553 units (decreased by 1.5% as compared to the previous year), followed by BMW (46,814 units, down 8.2%) and VW (46,791 units, down 9.9%). Among the “Top 10” brands, Volvo, Jeep, Peugeot and Porsche registered increase as compared to the previous year.

<http://www.jaia-jp.org/wp-content/uploads/private/201912NewCarNews.pdf>

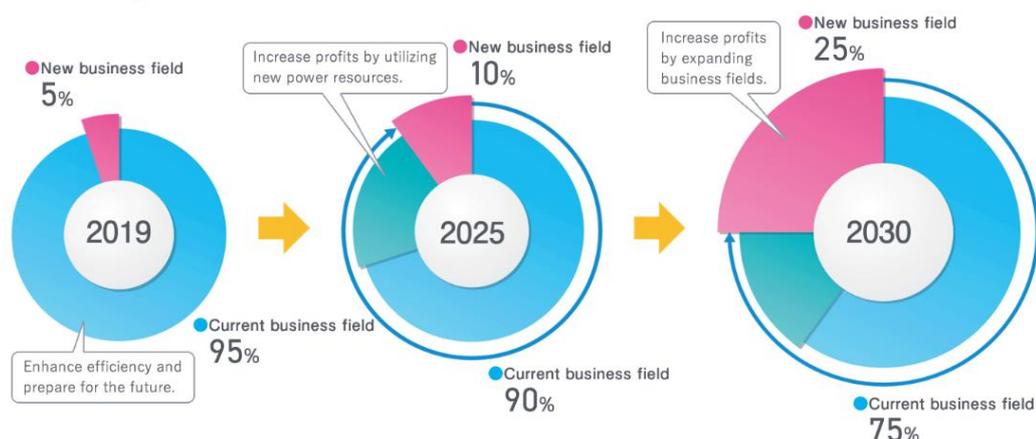
COMPANY NEWS

Chugoku Electric Power Aims at Increasing Renewable Energy by 50% by 2030

The Chugoku Electric Power Co., Inc. disclosed its intention to increase the new introduction amount of renewable energy by 300MW to 700MW by 2030, in its new corporate vision published on January 21. It corresponds to an increase of approximately 50% from current level of 1,000MW

The profit and financial targets announced in the new corporate vision are as illustrated below.

Profit / Financial targets



http://www.energja.co.jp/e/ir/info/corporate_vision.html

Mitsuoka’s Electric Tricycles Demonstrated at the New Year Event of Tokyo Fire Department

Mitsuoka Motor Co., Ltd. announced on January 6 that its electric tricycle “Like-T3” were demonstrated for the first time as members of the “First-aid team” of

Tokyo Fire Department at the New Year Event.

“Like-T3” which runs with a lithium-ion battery can accommodate two personnel with maximum load weight of 100kgs.



<https://www.mitsuoka-motor.com/uploads/2019/12/200106.pdf> (in Japanese)

Marubeni Makes Alliance with Chinese EV Manufacturer BYTON

Marubeni Corporation announced on January 6 that it has agreed to conclude a capital and business alliance with BYTON Limited, which develops and manufactures electric vehicles (EVs) in China, the United States and Europe. Under this strategic partnership, BYTON and Marubeni will explore opportunities in mobility services, energy solutions and overseas production and distribution.

EVs are expected to become more and more ubiquitous moving forward due to technological innovation and because global environmental regulations are becoming increasingly stringent as awareness of environmental issues rises. BYTON, which was founded in 2016 by people who were formerly working in the premium automotive and digital technology industries, develops and manufactures EVs with a focus on digitalizing the interior of the vehicles using state-of-the-art connected technologies and large display screens. Other investors in BYTON include FAW Group, a major Chinese automobile manufacture, and CATL, the world's largest EV battery manufacturer based in China. BYTON is currently developing an electric Sports-Utility-Vehicle called

the “M-Byte”, which will be launched in China in mid-2020 and is scheduled for launch in the United States and Europe in 2021.

<https://www.marubeni.com/en/news/2020/release/20200106E.pdf>

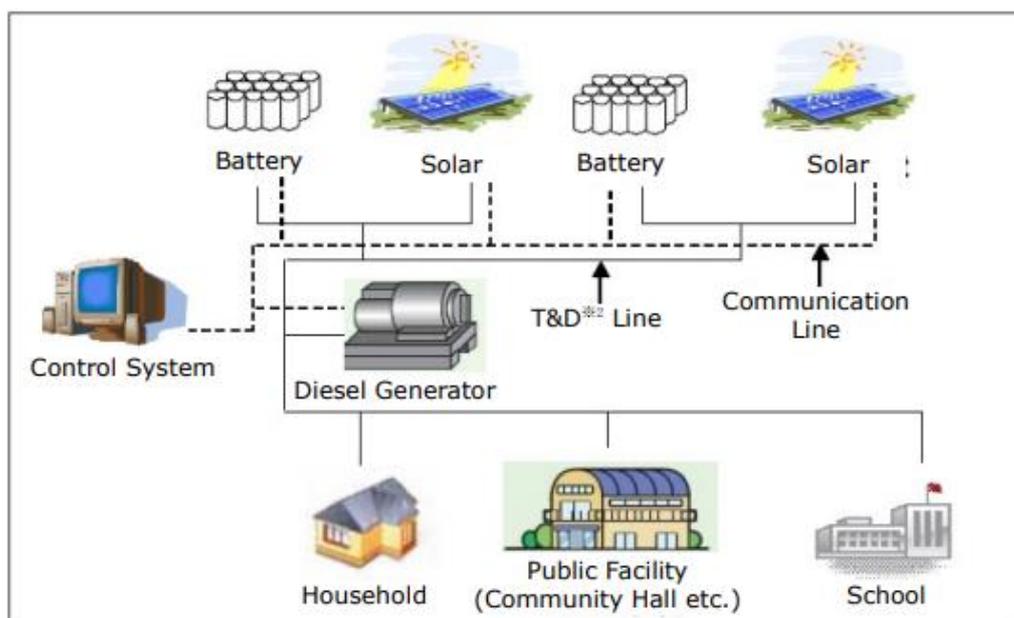
Kyuden Group to Participate in Philippine Microgrid Project

Kyuden Group announced on January 8 that it would participate in a Microgrid Project, which PowerSource Group implementing on the islands of Palawan and Cebu in the Philippines.

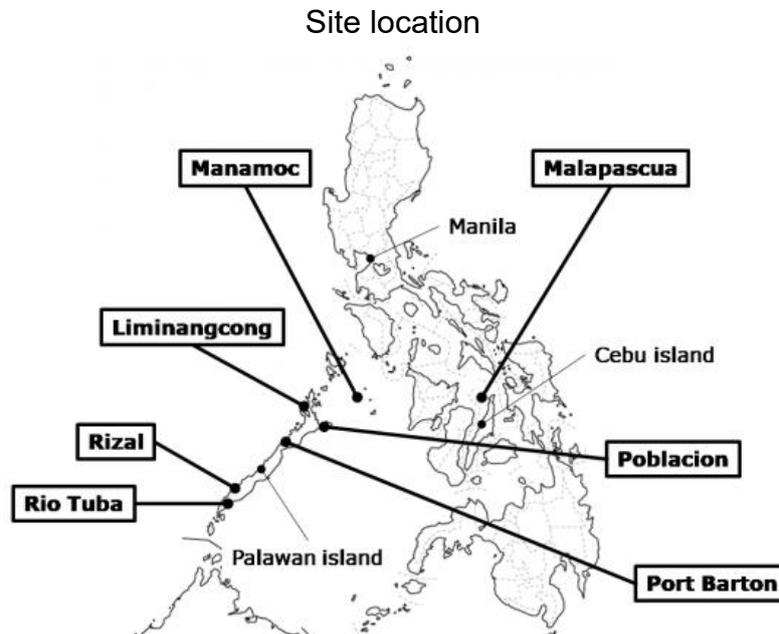
PowerSource Group, an operator qualified by the Philippines Energy Regulatory Commission, supplies electricity to off-grid communities. Currently, they provide electricity generated by diesel to 7 sites on the islands Palawan and Cebu, and planning to implement solar-storage in existing sites, and to develop new sites in the future.

By participating in this project, Kyuden Group contributes to the supply of environmental-friendly energy and to the expansion of PowerSource’s microgrid business, by implementing renewable energy sources and providing technical support, such as Operation and Maintenance improvement of PowerSource’s power plants. By using our top-class technological prowess and expertise, Kyuden Group aims to realize a sustainable society, as listed in the Kyuden Group Management Vision 2030.

Microgrid business image



※2 Transmission and Distribution



<https://www.kyuden-intl.co.jp/en/news/detail/29>

Tokyo Gas to Start the First Urban District Cooling and Power Distribution Business in Thailand

Tokyo Gas Engineering Solutions Corporation (TGES) announced on January 10 that it has jointly established Bangkok Smart Energy Company Limited with Mitsui & Co., and Gulf Energy Development Public Company Limited and will partner with One DCS Services Co., Ltd. and One Power Services Co., Ltd. both of which are developed by the TCC group company, One Bangkok Co., Ltd., to invest in a district cooling and power distribution business to supply One Bangkok development in Bangkok, Thailand, and to execute utility development agreement with One Bangkok Co., Ltd.

This district cooling system will provide accurate demand forecast based on weather forecast for the next day and past demand analysis, materializing area-wide energy supply optimization by controlling the cutting-edge, high-efficiency chillers and thermal storage system. In line with One Bangkok's sustainable development concept and its aim to be the first LEED Neighborhood Development Platinum certified development in Thailand, this system will run on recycled water such as rainwater and promote energy intensity reduction and so on.

https://www.tokyo-gas.co.jp/Press_e/20200110-01e.pdf

Hitachi Zosen Inova Group Developed an Energy-from-Waste Plant Project in Australia

Hitachi Zosen Corporation announced on January 9 that its wholly-owned subsidiary, Hitachi Zosen Inova AG(HZI) together with Hitachi Zosen Inova Australia Pty Ltd have completed the development of a BOO (Build/Own/Operate) project of EfW plant in Rockingham, Western Australia. This project consists of construction and operation of the EfW plant, sale of the electricity, and securing wastes as fuel. HZI group worked on the project development with consortium members and formulated the business plan. In addition to a minority equity investment in a special purpose company, HZI group forms a consortium with Acciona group, a Spanish conglomerate dedicated to renewable energy and infrastructure, for EPC (Engineering/Procurement/Construction) contract with the special purpose company. HZI group is responsible for the main part of the plant, i.e. designing waste cranes, grates, boilers, flue gas treatment equipment, and bottom ash treatment equipment etc., as well as dispatching supervisors for equipment supplies, installation, and commissioning. Acciona group is mainly responsible for civil construction work.

Besides, HZI group will establish another joint venture with Suez, an environmental service company with head office based in France to jointly operate and maintain the plant for 20 years. This plant processes 300,000 tons of waste per year and generates electricity equivalent to 36,000 households, which is renewable energy with CO2 savings of 300,000 tons a year.

<https://www.hitachizosen.co.jp/english/news/2020/01/003484.html>

Eurus Energy Celebrates Its First Wind Farm in Miyagi Prefecture, Equipped with Largest Turbines in Japan

An opening ceremony for Eurus Energy group's first wind farm in Miyagi Prefecture, "Eurus Ishinomaki Wind Farm" (total output 20.4MW) has been held on January 24.

This wind farm, located on the ridge of Mt. Jyobon and Mt. Kagobo, in Ishinomaki city, comprises of 6 Siemens Gamesa Renewable Energy wind turbines, each rated at 3.4MW capacity, which is the largest in Japan. All generated energy will be sold to Tohoku Electric Power Co., Ltd.

Eurus Energy Holdings Corporation is a joint venture between Toyota Tsusho Corporation (60%) and Tokyo Electric Power Company Holdings, Incorporated: (40%), established on November 1, 2001.

<http://www.eurus-energy.com/en/press/index.php?id=204>

J-POWER's Nikaho No.2 Windfarm Started Commercial Operation

Electric Power Development Co., Ltd. (J-POWER) announced that its wholly owned project company has completed the construction works of Nikaho No.2 Windfarm and started commercial operation on January 24. This windfarm had been under construction from July 2017 as the 3rd windfarm in Akita prefecture, 24th in Japan for J-POWER.

J-POWER's current owned capacity for wind power in operation in Japan totals 530,560kW including 41,400kW of Nikaho No.2 Windfarm. Adding 86,132kW of two windfarms under construction in Japan and 214,250kW of one offshore windfarm under construction overseas, J-POWER's global owned capacity for wind power amounts 830,942kW.

J-POWER announced two weeks earlier the start of commercial operation of Setana Osato Windfarm in South-Eastern part of Hokkaido which has a capacity of 50,000kW.

Location map



Nikaho No.2 Windfarm

https://www.jpowers.co.jp/english/news_release/pdf/news200124.pdf

https://www.jpower.co.jp/english/news_release/pdf/news200110.pdf

JERA and Shimizu Conclude an MOU on the Offshore Wind Power Generation

JERA Co., Inc. and Shimizu Corporation jointly announced on January 15 that they have concluded a memorandum of understanding (MOU) concerning collaboration in the offshore wind power generation business.

The MOU provides that JERA and Shimizu will explore ways to utilize their respective know-how and resources in the offshore wind power generation business to collaborate on related projects in Japan and overseas. Based on the MOU, both companies will move forward to prepare for Japanese government-conducted public tenders related to the development of offshore wind power projects in Akita Prefecture and elsewhere in Japan. Both companies will also continue to search for suitable locations and evaluate technologies with the goal of further project development.

JERA, which is a 50-50 joint venture between TEPCO Fuel & Power, Inc. and Chubu Electric Power Co., Inc. is leveraging its experience in large-scale power development to develop offshore wind power projects. Through its participation in projects in the United Kingdom and Taiwan, and involvement in projects at different stages of development,

Shimizu is aiming to achieve the top market share in offshore wind farm construction by leveraging its extensive expertise in the design and construction of onshore and offshore wind power generation facilities and the SEP (Self-Elevating Platform) vessel that it is currently constructing to the highest performance standards in the world.

https://www.jera.co.jp/english/information/20200115_451

NYK and Van Oord Partnering to Own and Operate Offshore Wind Installation Vessel in Japan

Nippon Yusen Kabushiki Kaisha (NYK) announced on January 16 that it has signed a memorandum of understanding (MoU) with Van Oord, a Dutch family-owned company to jointly own and operate offshore wind installation vessels under the Japanese flag. The partners aim to start operating a jack up vessel in Japan by 2022 at the earliest. The vessel will have a crane capacity of more than 1,000 mt and will be suitable to install the latest generation of wind turbines. The collaboration will make use of Van Oord's technical and

operational expertise in offshore wind and the NYK Group's knowledge of the Japanese market.

The vessels will be used for the transport and installation of both the foundations and the wind turbines for offshore wind farms. The installation vessel is equipped with a large crane and jack-up legs. The vessel will place the legs into the seabed and will then jack the hull of the vessel out of the water. This creates a stable working platform for the crane to perform the installation activities.

In addition to the collaboration for offshore installation vessels, NYK and Van Oord are also exploring opportunities to collaborate on other types of vessels required for the construction and operation of offshore wind farms.



Van Oord's offshore installation vessel Aeolus

https://www.nyk.com/english/news/2020/20200116_01.html

NYK Agrees with Northern Offshore Group on Partnership for Crew Transfer Vessel Business for Offshore Wind Power Generation

NYK and Northern Offshore Group AB (NOG), a Swedish holding entity that owns Northern Offshore Service AB (NOS), have agreed to a memorandum of understanding (MoU) for a crew transfer vessel (CTV)* business related to offshore wind power generation. The two companies will start a joint study of a new CTV service to contribute to the success of offshore wind projects in Japan.

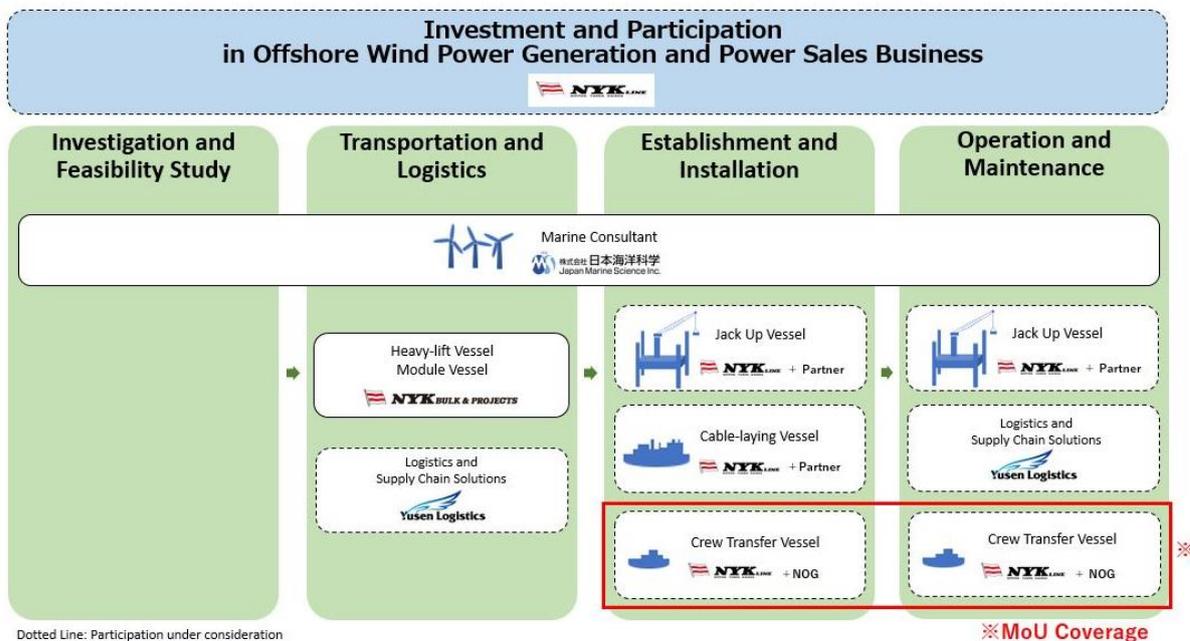
Utilizing the technical information and expertise of NOS, which operates over 35

CTVs in the offshore wind power market in Europe, along with the NYK Group's knowledge of operating vessels in Japan, NOS and NYK will discuss the optimized design, ownership, and operation of a CTV that so that crews can have safe access to wind power generation facilities off Japan even when sea conditions are harsh. In the future, the two companies will also discuss the possibility of collaborating in overseas businesses.



Image of NOG'S CTV

NYK Group's Service Scope for Offshore Wind Power



https://www.nyk.com/english/news/2020/20200116_02.html

Isuzu and Honda Sign an Agreement to Conduct Joint Research on Fuel Cell-powered Heavy-duty Trucks

Isuzu Motors Limited and Honda R&D Co., Ltd., a R&D subsidiary of Honda Motor Co., Ltd., signed an agreement on January 15 to undertake joint research on heavy-duty trucks, utilizing fuel cells (FC) as the powertrain.

Today, the automobile industry is facing demand to reduce exhaust gas/carbon emissions from mobility products in order to address the on-going global challenge of reducing humanity's environmental footprint. Moreover, from the perspective of energy security, the industry is required to take initiatives to promote utilization of renewable energy.

Under these circumstances, as a commercial vehicle manufacturer committed to support transportation, Isuzu has been striving to promote the utilization of low-carbon and sustainable energy.

To that end, Isuzu has been researching and developing various powertrains including clean diesel engine, engines for natural gas vehicles (NGVs) and electric vehicle (EV) powertrains, which accommodate a broad range of customer needs and how vehicles are used. In parallel, Honda has been working toward the realization of a carbon-free society and, to this end, in addition to hybrid and battery electric vehicles, Honda has been researching and developing fuel cell vehicles (FCVs), the ultimate environmental technology, for more than 30 years.

https://www.isuzu.co.jp/world/press/2020/1_15.html

Toyota and Joby Aviation are to Collaborate in Urban Air Mobility

According to a press release of Toyota Motor Corp. dated January 15, Toyota is exploring a new flight path for mobility through a new collaboration with Joby Aviation, an aerospace company based in Santa Cruz, California, U.S.A. developing and commercializing all-electric vertical take-off and landing (eVTOL) aircraft to enable the deployment of fast, quiet and affordable air transportation services. According to the press release, the collaboration reflects Toyota's recognition of the long-term potential of the urban air mobility market to meet the evolving needs of society, as well as Joby's position as an industry leader in working to deliver safe and affordable air travel to everyone.



Joby's eVTOL

https://global.toyota/en/newsroom/corporate/31311655.html?_ga=2.70346070.750287295.1582010737-2041262639.1579502586

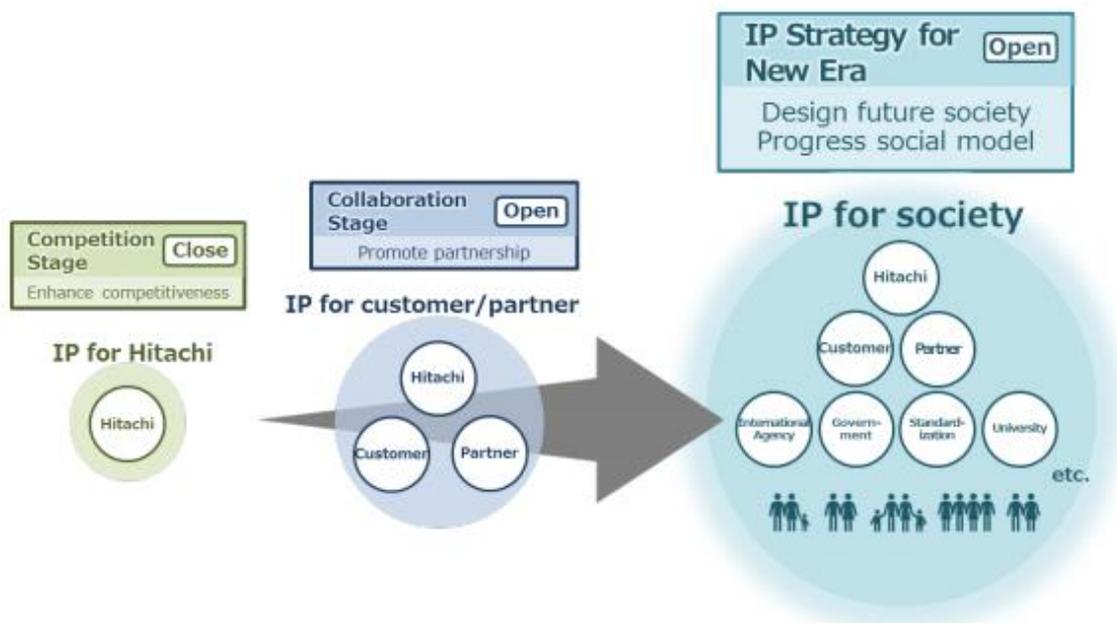
Hitachi Joined WIPO GREEN as a Contributing Partner

Hitachi, Ltd. announced on January 16 that it has joined WIPO GREEN as a contributing partner. WIPO GREEN is an open platform administered by the World Intellectual Property Organization (WIPO) to connect green technology seekers and providers in order to spread and promote innovation in, and the increased use of, environmentally friendly technologies.

WIPO GREEN aims to support the achievement of the Sustainable Development Goals (SDGs) by utilizing intellectual property (IP) and an effective intellectual property system to spread environmentally friendly technologies and promote innovation. By registering and publishing technologies on WIPO GREEN, providers with advanced and environmentally friendly technologies that enable sustainable development will be able to connect with seekers who need those technologies. Since the establishment of WIPO GREEN in November 2013, more than 3,000 green technologies have been registered, and more than 600 connections have been made.

From the aspect of IP management, Hitachi advocates a new IP concept, “IP for society,” utilizing certain IP highly public in nature to solve social issues by declaring its openness in the early stage. In order to realize this concept, Hitachi has decided to become a WIPO GREEN contributing partner and increase its registered technologies.

Concept of IP for society



https://www.hitachi.eu/sites/default/files/fields/document/press-release/wipo_green_news_release_hitachi_r12_clean.pdf

Fast Retailing Signs Fashion Industry Charter for Climate Action

Fast Retailing Co., Ltd. announced on January 14 that it has signed the Fashion Industry Charter for Climate Action, sponsored by the United Nations Framework Convention on Climate Change (UNFCCC). This charter supports the goals of the Paris Agreement in limiting global temperature rise to well below two degrees Celsius above pre-industrial levels, and specifies measures for the entire fashion industry to implement, focusing on a 30% aggregate reduction in greenhouse gas (GHG) emissions by 2030, including the supply chain.

By signing the Fashion Industry Charter for Climate Action, Fast Retailing will further strengthen such measures as procurement of sustainable materials, reducing the environmental load in the manufacturing process, and promoting

dialogue with consumers and raising awareness, as well as accelerate coordination throughout the industry to reduce GHG emissions.

Fast Retailing is a global company that operates multiple fashion brands including UNIQLO, GU, and Theory.

<https://www.fastretailing.com/eng/sustainability/news/2001141500.html>

Toray and MIDORI ANZEN Launching Japan's First Uniforms Certified by MADE IN GREEN by OEKO-TEX®

MIDORI ANZEN Co., Ltd., and Toray Industries, Inc., announced on January 28 that their jointly developed work uniforms have become the first in Japan to be qualified a MADE IN GREEN by OEKO-TEX®, a traceable product label that guarantees that a textile product has been manufactured using sustainable processes under environmentally friendly and socially responsible working conditions. OEKO-TEX® certification is a key benchmark for safety and customer confidence in more than 100 countries.

In Japan, the Nissenken Quality Evaluation Center conducts OEKO-TEX® certification tests. These which encompass everything from the chemicals used in textile products to wastewater and gas emissions in manufacturing processes and working environments.



Certified uniforms from MIDORI ANZEN

<https://www.toray.com/news/fiber/detail.html?key=FF7F2F507717626F4925851300069696>

https://www.midori-anzen.co.jp/ja/pr_20200128.html (in Japanese)

Teijin to Establish an Automotive Center in Germany

Teijin Limited announced on January 28 that it would establish Teijin Automotive Center Europe GmbH (TACE) in Wuppertal, Germany in February as a new

base for technical functions within the company's automotive composite business. The company will handle concept, designing, prototyping, evaluations, marketing and technical research for next-generation automotive components, utilizing the Teijin Group's capabilities to provide multi-material solutions for next-generation vehicles.

Later, TACE will develop marketing and research functions to explore opportunities for new technologies and M&A, aiming to accelerate joint development with European automakers and respond to demands for greater design freedom, productivity and cost efficiency as well as weight reduction and strength.

https://www.teijin.com/news/2020/20200128_2458.html

GS Yuasa to Double Production Capacity of Lithium-ion Battery for Hybrid Cars

GS Yuasa Corporation and its subsidiary Blue Energy Co., Ltd. announced on January 29 that Blue Energy would construct second factory in Kyoto Prefecture to increase production capacity of lithium-ion battery for hybrid cars by more than 100% to reach 50 million cells per year. The new factory is expected to start production by March 2023.

Blue Energy is a joint venture of GS Yuasa (holding 51% of stock) and Honda Motor (49%).

<https://www.gs->

[yuasa.com/webdata/img/gs200110020728/pdf_gs_200106004728.pdf](https://www.gs-yuasa.com/webdata/img/gs200110020728/pdf_gs_200106004728.pdf) (in

Japanese)

Seiko Instruments Starts Sales of World Smallest Solar Power Beacons

Seiko Instruments Inc. announced on January 30 that it has started supplying small solar power operating beacons. Its size is w33.5 x D39.1 x H7.9mm, smallest in the world. Its weight is approximately 11 grams. Seiko Instruments disclosed that the first customer of this small beacon was ACCESS CO. LTD., an internet and networking technology company.



Seiko Instruments' solar power beacon

<https://www.sii.co.jp/jp/news/2020/01/30/14188/> (in Japanese)

Space Debris Removing Company Awarded a Grant from Tokyo Metropolitan Government

Astroscale Holdings Inc. engaging in developing technology and services to remove space debris and secure long-term orbital sustainability, announced on January 23 that it has been awarded a grant of up to US \$4.5 million from the Tokyo Metropolitan Government's "Innovation Tokyo Project" to build a roadmap for commercializing active debris removal (ADR) services.

The Tokyo project, which was launched last year, aims to subsidize up to half of the expenses required for the commercialization and development of innovative services and products for venture companies and small and medium-sized enterprises. Astroscale received the maximum amount covering half of its US \$9 million application and will use the funds over three years to commercialize its ADR services and develop global sales channels with satellite operators, national agencies and the insurance market. The grant will also be used to continue pursuing joint research and development contracts, conduct safety and risk assessments of client satellites, and grow the finance and human resources departments.

Along with Astroscale, another company named Nilesworks Inc. which proposed to develop crops growth observation system against climate change was also awarded grant of Tokyo Government.

<https://astroscale.com/astroscale-awarded-up-to-us-4-5-million-grant-from-tokyo-metropolitan-government-to-commercialize-active-debris-removal-services/>

<https://www.nileworks.co.jp/> (in Japanese)

ADDITIONAL TOPICS

Japan and Abu Dhabi, UAE Agree to Continue and Expand their Joint Oil Storage Project

On January 13, with Mr. Abe Shinzo, Prime Minister of Japan, and H.H. General Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, the United Arab Emirates (UAE), attending, Mr. Makihara Hideki, State Minister of Economy, Trade and Industry, and H.E. Dr. Sultan Ahmed Al Jaber, Minister of State, UAE, signed and exchanged, in Abu Dhabi, UAE, an agreement on continuation and expansion of the existing joint oil storage project.

This agreement stipulates that the two countries will expand the amount of oil stockpiles up to 1.30 million kl. Amid the growing tensions in the Middle East region, it is considered important for Japan to fortify the relationship with Abu Dhabi, a major crude-oil supplier to Japan, and to improve Japan's crisis response ability.

In this project, Japan, with the support of its government, will lend crude-oil tanks installed in Japan to the Abu Dhabi National Oil Company (ADNOC), UAE, while, in ordinary times, the company will make use of the tanks as bases for supplying oil to Japan and other East Asian countries and, if Japan faces a shortage of crude-oil supply in an emergency, the company will preferentially supply the crude oil remaining in the tanks to Japan. The project was inaugurated in June 2009 in response to the proposal presented by Abu Dhabi that same year, and this is the second extension of the project.

https://www.meti.go.jp/english/press/2020/0114_005.html

Establishment of Renewable Energy Association for Sustainable Power Supply

Five companies of Renewable Japan Co., Ltd., Tokyu Land Corporation, JXTG Nippon Oil & Energy Corporation, Tokyo Gas Co., Ltd. and ORIX Corporation announced on January 15 that they have jointly established the Renewable

Energy Association for Sustainable Power Supply (REASP) for contributing to the energy security and people's well-being by promoting renewable energy and supplying cheap and clean electricity necessary for the business continuation. REASP intends to exchange views among members and have constructive discussions with Japanese relevant ministries in such topics as developing long and stable business model, cost reduction and effective use of renewable energy sources.

<http://www.rn-j.com/wp/wp-content/uploads/2020/01/20200115.pdf> (in Japanese)

JERA to Participate in Ocean Renewable Energy Action Coalition

JERA Co., Inc. announced on January 14 that it has participated in the newly established Ocean Renewable Energy Action Coalition.

In its press release, it is explained that an international Ocean Renewable Energy Action Coalition has been formed to advance sustainable deployment of ocean-based renewable energy and mitigate the harmful impacts of climate change.

Bringing together civil society, intergovernmental institutions and industry, the Action Coalition will represent the offshore wind sector in the global dialogue on climate action. It will be spearheaded by Ørsted and Equinor. The group also includes: CWind, Global Marine Group, JERA, MHI Vestas, Mainstream Renewable Power, Shell, Siemens Gamesa, TenneT and The Crown Estate. The Action Coalition was formed in response to the September 2019 Call for Ocean-Based Climate Action made by the High-Level Panel for a Sustainable Ocean Economy, with additional partners including Global Wind Energy Council and the UN Global Compact.

The Action Coalition will prepare a vision for 2050, highlighting the actions that industry, financiers and governments can take to sustainably scale-up offshore wind, and thereby contribute to the UN Sustainable Development Goals and global decarbonization goals. Initial outputs will be announced at the UN Ocean Conference in Lisbon in June 2020.

https://www.jera.co.jp/english/information/20200114_450