

JAPANESE INDUSTRY AND POLICY NEWS

March 2019

LEGISLATION AND POLICY NEWS

New Strategic Roadmap for Hydrogen and Fuel Cells Formulated

On March 12, the Council for a Strategy for Hydrogen and Fuel Cells renewed the existing Strategic Roadmap in order to ensure the achievement of the goals set forth in the Basic Hydrogen Strategy and the Fifth Strategic Energy Plan toward the realization of a hydrogen-based society. The renewed roadmap defines: (i) new targets on the specification of basic technologies and the breakdown of costs; (ii) necessary measures for achieving these goals; and (iii) that the government will convene a working group consisting of experts to review the status of implementation in each area stipulated by the roadmap. The Council for a Strategy for Hydrogen and Fuel Cells formulated the Strategic Road Map for Hydrogen and Fuel Cells in 2014, and revised it in 2016. Subsequently, hydrogen-related policy materials, namely, the Basic Hydrogen Strategy (December 2017), the Fifth Strategic Energy Plan (July 2018), and the Tokyo Statement (October 2018) were formulated and released. With the release of these additional materials, the council considered that the existing roadmap needed significant revision.

https://www.meti.go.jp/english/press/2019/0312_002.html

https://www.meti.go.jp/english/press/2019/pdf/0312_002a.pdf

Promoting Wind Power Generation Using Maritime Area

On March 15, the Cabinet approved the Cabinet Order and the Enforcement Order for specifying the effective date of the Act of Promoting Utilization of Sea Areas in Development of Power Generation Facilities Using Maritime Renewable Energy Resources (Act No. 89 of 2018).

The source of maritime renewable energy covered by the Act will be wind power in maritime areas and the effective date of the Act is April 1, 2019..

The scope where permission on licensed use, etc. becomes necessary within the designated maritime areas for the promotion of projects will be areas up to 315 meters in the sky and up to 100 meters under the seabed in the maritime area.

The maximum limit of the period of licensed use of the designated maritime

area for the promotion of projects are as follows for each item for licensed use:

Licensed use by facilities with a structure that can be relocated or removed easily: 5 years

Licensed use by power generation facilities using maritime renewable energy resources related to the certified action plan: 30 years

Other licensed use: 10 years

https://www.meti.go.jp/english/press/2019/0315_003.html

Explanation of Offshore Wind Power Facility Standards for Maintenance and Management Released

Aiming to streamline the current procedures for examination of projects for offshore wind power generation under the Electricity Business Act and the Port and Harbor Act and to reduce the burden on related businesses so as to further facilitate introduction of offshore wind power generation, the Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) established a Committee on Study of Developing Offshore Wind Power Generation Facilities in Ports and Harbors in September 2016. Since then, the committee has been advancing discussions on standards and other criteria for offshore wind power generation facilities.

METI announced on March 29 that the committee compiled its discussion results into a report titled “Official Explanations on Standards for Maintenance and Management of Offshore Wind Power Generation Facilities” and released it.

The report focuses mainly on the following points:

- (a) Coverage of targets subject to the standards, definitions of terms, related laws and regulations and related standards;
- (b) Approaches to maintenance and management of facilities under the Electricity Business Act and the Port and Harbor Act;
- (c) Methods of regular inspections and diagnoses, the period between inspections and the system for maintenance and management of facilities; etc.

https://www.meti.go.jp/english/press/2019/0329_006.html

MoE to Take Actions for Reducing Carbon Emission in Power Sector

Ministry of the Environment (MoE) announced on March 28 that it would take three new actions for reducing carbon emission in electric power sector. They

are; (1) Stricter environmental assessment on new coal fired power generation projects, (2) Closer cooperation with the Ministry of Economy, Trade and Industry (METI) for the development of renewable energy in the region, and (3) Accelerating implementation of carbon dioxide capture, utilization and storage (CCUS) for realizing carbon recycle.

<https://www.env.go.jp/press/106574.html> (in Japanese)

<https://www.env.go.jp/press/files/jp/111265.pdf> (in Japanese)

New Fuel Efficiency Standards for Trucks and Buses Formulated

On March 29, the Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) revised the Standards for Determining Manufacturers and Other Companies of Energy Consumption Machines Concerning the Improvement of the Passenger Vehicles Performance in Terms of Fuel Consumption and another public notice and the ministries promulgated and enforced the revised standards. These public notices stipulate the new fuel efficiency standards for heavy vehicles, e.g., trucks and buses with a total weight of over 3.5 tons, and set FY2025 as the target fiscal year when manufacturers should achieve the defined fuel efficiency of such vehicles.

The new fuel efficiency standards require manufacturers to enhance the fuel efficiency by approximately 13.4% for trucks and other heavy vehicles and by approximately 14.3% for buses from the FY2015 fuel efficiency standards as a reference, respectively.

https://www.meti.go.jp/english/press/2019/0329_003.html

JPO Opens Member Registration for IP Portal Website for Startups

On March 8, the Japan Patent Office (JPO) began accepting member registrations for a portal website related to intellectual property (IP) targeted at startups titled “IP Base.” This website will provide useful information for startups such as need-to-know basics concerning IP strategies, available support measures and the latest event information, etc. The website has officially been re-named from “IP Knowledge Base for Startups” to “IP Base.”

In December 2018, the JPO opened an IP portal website to provide a space for the establishment of an online IP community in which startups first and foremost visit and learn about IP and are connected to IP experts. Since then, the website has been providing a variety of IP content, targeting startups, venture capital firms,

accelerators and other businesses as well as patent attorneys, advocates and other IP experts.

https://www.meti.go.jp/english/press/2019/0308_004.html

SURVEY AND BUSINESS DATA

Preliminary Report of the 2018 Basic Survey on SMEs Released

The Small and Medium Enterprise Agency (SMEA) published on March 29 a preliminary report of the 2018 Basic Survey on Small and Medium Enterprises (SMEs). The report is based on valid responses from 46,049 companies.

Key points of the report are as follows.

- (a) Total sales were 524.8733 trillion yen, down by 0.6% from the previous year, and total ordinary profits were 22.8471 trillion yen, up by 4.3% from the previous year.
- (b) The percentage of incorporated enterprises that have subsidiaries, affiliated companies or business establishments overseas was 1.0%, almost the same as the previous year.
- (c) The percentage of incorporated enterprises that have conducted research and development for new products or new technology was 2.2%, up by 0.1 percentage points from the previous year.
- (d) The percentage of incorporated enterprises that possess patent, utility model, design, or trademark rights was 5.4%, up by 0.1 percentage points from the previous year.

https://www.meti.go.jp/english/press/2019/0329_002.html

Results of the 2018 Basic Survey on the Information and Communications Industry Published

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Internal Affairs and Communications (MIC) published on March 26 the result of the Ninth Basic Survey on the Information and Communications Industry to comprehensively ascertain the overall state of the information and communications industry in Japan.

According to the survey, there were 5,467 companies engaging (primarily or otherwise) in the information and communications industry. Total sales in this industry were 49.7496 trillion yen in FY2017, up by 3.6% from the previous year.

Regarding sales by sector, the telecommunications sector marked the highest sales, followed by the software sector and the information processing/providing service sector. These three sectors accounted for 79.3% of total sales in the industry.

https://www.meti.go.jp/english/press/2019/0326_002.html

Number of Landslide Disasters Recorded the Worst in 2018

According to an annual survey by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) published on March 28, the number of landslide disasters in 2018 was 3,459, the worst record since the survey started in 1982. It is more than three times bigger than average. The number of the dead and missing people reached 161, third worst in history.

By prefecture, Hiroshima was the worst hit with 1,243 cases, followed by Ehime (419 cases) and Hokkaido (237 cases).

Number of cases

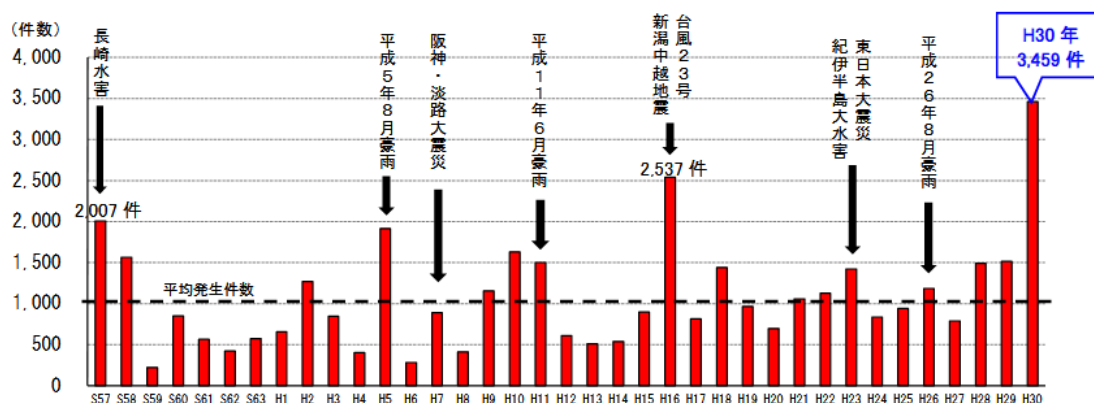


図. 土砂災害発生件数の推移 (S57~H30)

Number of Landslide Disasters 1982 (S57) – 2018 (H30)

<http://www.mlit.go.jp/common/001282246.pdf> (in Japanese)

Willingness to Buy Zero Emission Vehicles Remains Limited

According to a questionnaire survey report that Tokyo Metropolitan Government published on March 27, those answered that they had considered to buy zero emission vehicles (ZEV) such as electric vehicles were 7% of respondents which were 1,877 persons in total while those who had never considered such purchase were 92%. Major conditions cited as necessary to consider buying ZEV were

price down (44%), easy to recharge at home (35%) and increase of recharging/refueling stations (31%).

<http://www.metro.tokyo.jp/tosei/hodohappyo/press/2019/03/27/01.html>

(in Japanese)

COMPANY NEWS

Sony and DOCOMO to Test Driverless Concept Vehicle via 5G Trial Network in Guam

Sony Corporation and NTT DOCOMO, INC. announced on March 27 that they would jointly trial Sony's conceptual driverless vehicle, the New Concept Cart SC-1, which leverages 5G mobile technologies for various remotely controlled functions. The test will be conducted using the trial network in DOCOMO 5G Open Lab™ GUAM, which will provide test facilities and an outdoor verification environment constructed by DOCOMO and operated by DOCOMO PACIFIC, INC., a wholly owned subsidiary of DOCOMO.

The test will verify data transmission and operational performance required to remotely control the cart from a long distance via the extra-high speed, large capacity, low latency and massive-device connectivity. This will be the firms' second joint trial of 5G technologies, following a trial conducted in Japan in 2017 to test the real-time transmission of high-definition video via a 5G system to a 4K digital-signage system fitted to the outside of the cart.

https://www.nttdocomo.co.jp/english/info/media_center/pr/2019/0327_00.html

The Japanese logistics provider Yamato Transport orders 500 German Electric Light Utility Vehicles

This year, the Japanese logistics provider Yamato is celebrating a hefty company milestone, its 100-year anniversary. In its centennial year, the company announced on March 27 that it had ordered 500 electric light utility vehicles from StreetScooter, a subsidiary of Deutsche Post DHL Group, to offer more environmentally friendly service and a better working environment.

As part of the close development partnership between the two companies, the electric vehicles have been modified to meet both Japanese standards and the specific needs of Yamato. Delivery is scheduled for operation during fiscal year 2019.

Yamato has ordered 500 Work Pure. This model is StreetScooter at its most basic since the variant has no truck body. Truck bodies will be assembled and installed on Work Pure chassis by the Japanese company Toprec, and will also be suitable for cold-chain applications. Maintenance and repair will be performed by the Yamato Transport's group company, Yamato Autoworks, which is responsible for the group's delivery fleet and also functions as a fleet services provider for third parties.



The new StreetScooter for Yamato (illustration: Deutsche Post DHL Group)

<https://www.dpdhl.com/en/media-relations/press-releases/2019/japanese-logistics-provider-yamato-transport-orders-500-streetscooters.html>

Daiichi Sankyo and AstraZeneca Announce Global Development and Commercialization Collaboration for Daiichi Sankyo's HER2 Targeting Antibody Drug Conjugate

Daiichi Sankyo Company, Limited announced on March 28 that it has entered into a global development and commercialization agreement with AstraZeneca for Daiichi Sankyo's lead antibody drug conjugate (ADC), trastuzumab deruxtecan (DS-8201), currently in pivotal development for multiple HER2 expressing cancers including breast and gastric cancer, and additional development in non-small cell lung and colorectal cancer.

Daiichi Sankyo and AstraZeneca will jointly develop and commercialize trastuzumab deruxtecan as a monotherapy or a combination therapy worldwide, except in Japan where Daiichi Sankyo will maintain exclusive rights. Daiichi

Sankyo will be solely responsible for manufacturing and the supply of trastuzumab deruxtecan.

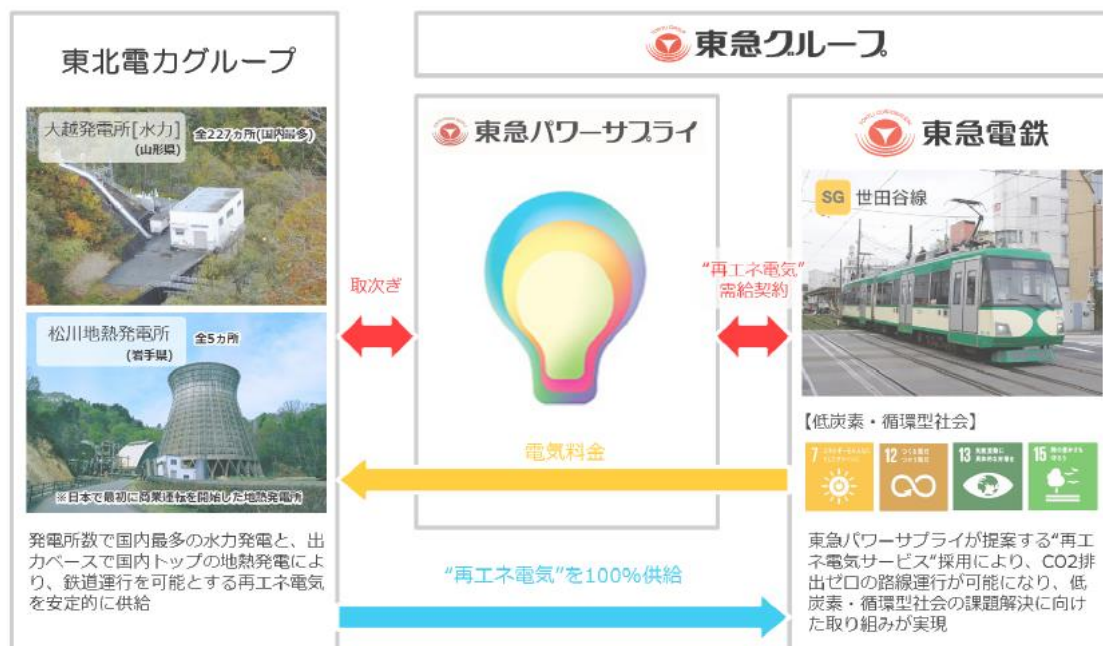
https://www.daiichisankyo.com/media_investors/media_relations/press_release/s/detail/006988.html

Tokyu Starts Japan's First CO2-free Tram Service

Tokyu Corporation announced on March 25 that it had launched Japan's first tram service running with 100% renewable energy in Tokyo area. It became possible by collaborating with the Tohoku Electric Power Co., Inc. and the Tokyu Power Supply Co., Ltd.

Under a scheme illustrated below, Tokyu Corporation procures electricity which are generated by hydro power and geothermal power of the Tohoku Electric. Since hydro power and geothermal power produce no carbon dioxide, it can be called Japan's first Co2-free trams.

Operational scheme of renewable power tram



https://www.tohoku-epco.co.jp/news/normal/1200627_1049.html (in Japanese)

ADDITIONAL TOPICS

MoE Published a Guidebook on Adaptation to Climate Change

Ministry of the Environment (MoE) published on March 22 a guidebook on adaptation to climate change. The guidebook was prepared aiming at private business people to strengthen adaptation activities by better understanding the relationship between climate change and business activities. The 40-page guidebook is subtitled as “Prepare for the climate risk and survive”.



<https://www.env.go.jp/press/106606.html> (in Japanese)

<http://www.env.go.jp/earth/minkann2.pdf> (in Japanese)

The First Liaison Conference for Acceptance of Foreign Human Resources with Specified Skills in the Manufacturing Industry Held

The Ministry of Economy, Trade and Industry (METI) held on March 26 the first meeting of the Liaison Conference for Acceptance of Foreign Human Resources with Specified Skills in the Manufacturing Industry before the entry into force of the Revised Immigration Control and Refugee Recognition Act on April 1.

At the first meeting of the conference, with the coming enforcement of the Revised Immigration Control and Refugee Recognition Act on April 1, 2019, in mind and aiming for Japan's appropriate advancement of the acceptance of foreign human resources with specified skills, participants received a briefing from personnel of the Ministry of Justice (MOJ) in charge of the System for Acceptance of Foreign Human Resources with Specified Skills, who shared information on outstanding efforts taken by those three sectors of machine parts and tooling sector, industrial machinery manufacturing sector and electric and electronic information-related sector that intend to accept such human resources.

https://www.meti.go.jp/english/press/2019/0326_001.html

Japan and UN Environment Programme Announce New Cooperation to Boost Knowledge on Marine Plastic Litter in Southeast Asia and in India

Japan and the United Nations Environment Programme (UNEP) announced on March 4 that they would join hands in effort to boost information and know-how to develop countermeasures against marine plastic litter in Southeast Asia and in India.

The new initiative, Promotion of countermeasures against marine plastic litter in Southeast Asia and India, will develop a simulation model for plastic leakage and monitor to determine leakage hotspots along the Ganges and Mekong. Additionally in India, provincial and local governments in Mumbai, Agra, and selected cities along the Ganges will receive support to stop plastic pollution. The Government of Japan has earmarked 123 million Japanese yen – over US\$1,100,000 – to support the initiative starting in March 2019, to be implemented by the UNEP Asia and the Pacific Office based in Bangkok, Thailand.

The government of Japan stressed its determination to tackle marine litter issue with international community and said: "Through this initiative, and with its

possible options including utilizing Japanese knowledge/experience and collaboration between UNEP and JICA, we would like to contribute to solving the issue of marine plastic litter in Southeast Asia and India.

https://www.mofa.go.jp/press/release/press4e_002357.html

Hiroshima Airport Concession Project Will Start from April 2021

Ministry of Land, Infrastructure, Transport and Tourism (MLIT) announced on March 6 that it had decided to outsource the operation of Hiroshima Airport to the private sector from April 2021 in order to promote the utilization and improve service of the airport by making full use of the knowledge of the private sector, and has developed its “Implementation Policy” which sets out the business outline, etc.

The outsourcing of the operation of Hiroshima Airport to the private sector is an effort to expand both domestic and international route networks of the airport, which is a hub airport in the Chugoku and Shikoku region, to further enhance it as a hub for extensive sightseeing in the region.

The private sector operator is to integrate the operations of the runway and terminal buildings with the aim of improving the user service and revitalizing the area by utilizing the knowledge of the private sector.

http://www.mlit.go.jp/en/report/press/koku05_hh_000014.html