

JAPANESE INDUSTRY AND POLICY NEWS

September 2018

LEGISLATION AND POLICY NEWS

Joint Team for Promoting Exports of Agricultural, Forestry and Fishery Products and Foods Determines Their Future Efforts

On September 11, the Ministry of Economy, Trade and Industry (METI) and the Ministry of Agriculture, Forestry and Fisheries (MAFF) held the second meeting of the Joint Team for Promoting Exports of Agricultural, Forestry and Fishery Products and Foods, and determined four efforts that it will advance (i) enhancement of business matching function to meet local demands in overseas countries; (ii) enhancement of efforts for cultivating sales channels taking advantage of e-commerce (EC); (iii) formulation of a guidebook for export support measures; and (iv) distributing information of best practices in terms of collaboration efforts to the Regional Agricultural Administration Offices and the Regional Bureaus of Economy, Trade and Industry.

http://www.meti.go.jp/english/press/2018/0911_001.html

Conference of the Cabinet Office and Ministries Responsible for Measures for Mid-ranking Companies Held

Japanese mid-ranking companies are expected to play core roles as promising leaders of regional economies. Japan has been conducting measures for mid-ranking companies under the Regional Future Investment Promotion Act in collaboration among the Cabinet Office and other responsible ministries.

Aiming to fortify collaboration of the Cabinet Office and other ministries responsible for supporting such companies, and to accelerate related efforts, the Conference of the Cabinet Office and Other Ministries Responsible for Measures for Mid-ranking Companies held discussions at the Prime Minister's Office on September 28.

Supporting measures compiled at the conference include such field as internationalization, human resource development, business succession and research and development.

http://www.meti.go.jp/english/press/2018/0928_003.html

SURVEY AND BUSINESS DATA

METI Releases a Report on Digital Transformation

The Ministry of Economy, Trade and Industry (METI) launched the Study Group for Digital Transformation in May, 2018. Since then, the study group has been researching and prioritizing current challenges involving IT systems that Japanese companies are facing in achieving digital transformations (hereinafter referred to as “DX”) and has been holding discussions on related measures.

On September 7, METI released the study group’s report titled “DX Report: Overcoming of ‘2025 Digital Cliff’ Involving IT Systems and Full-fledged Development of Efforts for DX.”

The study group considers upgrading IT systems to an appropriate level as a significant challenge for Japanese companies in carrying out a future DX and held discussions focusing on current challenges that Japanese companies are facing in achieving DX and on measures for overcoming the challenges.

In order to update IT systems appropriately, companies need to develop strategies for the utilization of digital technologies in their businesses. Establishing internal systems and frameworks for implementation of such strategies is critical for their success. The study group held discussions to overcome these issues as well.

http://www.meti.go.jp/english/press/2018/0907_004.html

http://www.meti.go.jp/english/press/2018/pdf/0907_004a.pdf

MoE Published First Analysis of Household CO2 Emission

Ministry of the Environment (MoE) published on September 28, a preliminary result of its first ever research on CO2 emission by Japanese households in 2017. It is an analysis of information obtained from a total of 9,505 households.

The research found for example, that the CO2 emission from the households of elderly people tends to be higher than those of younger households. Also, it was found that the households equipped with such building materials as dual sash window or double-layered glass window consumed less energy up to 24% as compared to the households without these materials.

The MoE intends to continue similar researches in future, hoping to use the result as a reference for establishing policy against the global warming.

<https://www.env.go.jp/press/106004.html> (in Japanese)

Strong Interest Showed in Sharing Taxi

According to a report that the Ministry of Land, Infrastructure, Transport and Tourism published on September 28, people showed strong interest in sharing taxi. However, they encountered difficulty to find suitable sharing partners. It is a result of demonstration experiment that the ministry implemented during January-March of this year in Tokyo, using a total of 949 taxis. In the experiment a total of 5,036 people expressed their willingness to share taxi but only 494 could find fellow passenger. In the meantime, according to a questionnaire survey that the ministry carried out during the experimental period, 70% of respondents expressed their readiness to share taxi. As for the challenge in sharing taxi, 50% of respondents mentioned possible trouble with fellow passengers.

http://www.mlit.go.jp/report/press/jidosha03_hh_000288.html (in Japanese)

COMPANY NEWS

Electric Vehicle Can Run Elevators

Sumitomo Mitsui Construction Co., Ltd. announced on September 3 that it had succeeded in a demonstration experiment to use an electric vehicle (EV) as a source of power for elevators in emergency.

With its “Land/sea power connecting systems (EV2ELV)” developed jointly with Tokyo University of Marine Science and Technology (TUMSAT), a fully charged electric vehicle functioned as a sources of power supply for an elevator to make 100 times of to-and-fro for a building of 43 stories.



The building and EV2ELV systems used for the experiment

<https://www.smcon.co.jp/topics/2018/09031409/> (in Japanese)

J-POWER and ENGIE sign MOU for collaboration for offshore wind power projects

On September 6, Electric Power Development Co., Ltd. (J-POWER) and a French company ENGIE have signed a Memorandum of Understanding (MOU) to a non-exclusive collaboration for power projects, particularly in large scale commercial offshore wind projects. To promote and expand Japan's renewable energy in the future, J-POWER and ENGIE believe that offshore wind power generation is a promising technology and therefore joint efforts shall be undertaken as part of this MOU to improve the competitiveness of the technology, including floating offshore wind power generation. Additionally, ENGIE and J-POWER will continue discussions for further collaborations in a variety of projects in Japan, Europe and other regions.

According to the press release, ENGIE focuses on three core activities: low-carbon power generation, mainly based on natural gas and renewable energy, global networks and customer solutions.

http://www.jpowers.co.jp/english/news_release/pdf/news180906.pdf

Paper Cup Which Uses Biodegradable Plastic to be Marketed

Mitsubishi Chemical Corporation (MCC) announced on September 27 that Japan Pulp and Paper Co., Ltd. would launch sales of paper cups made with MCC's BioPBS plant-derived and biodegradable plastic in October.

MCC developed BioPBS and holds its basic patent. BioPBS is manufactured by PTT MCC Biochem Company Limited (Head office: Bangkok, Thailand), a 50-50 joint venture between MCC and PTT Global Chemical Public Company Limited. This environmentally friendly material is broken down by living microorganisms in soil and decomposes into water and carbon dioxide. Based on the material's high heat resistance, high flexibility, and high heat seal strength as well as its biodegradability, Japan Paper and Pulp decided to use it as the laminate on the inner surface of paper cups in place of conventional polyethylene.

MCC has developed applications for BioPBS™ not only in conventional items such as compost bags and agricultural mulch films, but also developed a broader range of new applications in coffee capsules, paper cups, straws, and other food-related products. The company is already in discussions with several major overseas fast-food chains.



Paper cup using BioPBS

https://www.m-chemical.co.jp/en/news/2018/1205123_7663.html

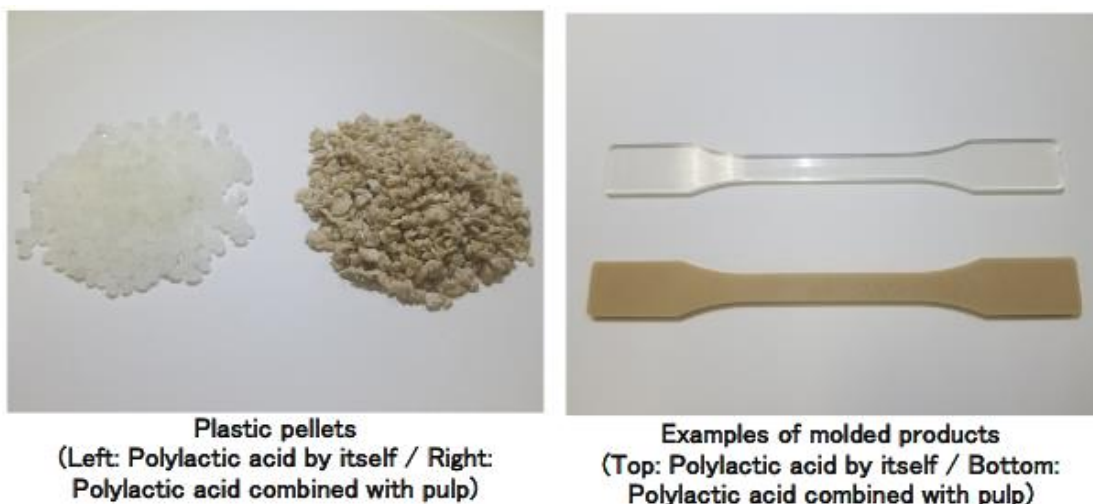
Oji to Accelerate the Development of Environment-friendly Plastics

According to a press release by the Oji Holdings Corporation dated September 20, it will accelerate the development of biodegradable plastics that are friendly to the global environment and the development of paper products with added functions.

Oji Group actively engages in afforestation and paper recycling as part of its initiatives to reduce environmental impacts. Also, Oji Group has manufactured various base paper for food products, including containers for beverages, yogurts and ice cream as well as oil resistant containers and paper packaging used at fast food restaurants. According to its press release, the Packaging Innovation Center (established on April 1, 2018) of the Innovation Promotion Division will now take the lead in the development of biodegradable plastics and the development of paper products with added functions, both of which can be

used as an alternatives to plastics.

Oji F-Tex Co., Ltd., one of its subsidiaries is developing plastic pellets that combine pulp with polylactic acid, a biodegradable plastic. The use of pulp improves the rigidity of molded products and also improves heat resistance (temperature of thermal deformation). It is also expected to shorten the time it takes for injection molding and to expand the applications of molded products. Currently, Oji F-Tex has begun distributing samples to customers.



<https://www.ojiholdings.co.jp/Portals/0/resources/content/files/english/ir/news/2018/6BTcFYw.pdf?TabModule1218=0>

SPARX Group to Establish "Mirai Renewable Energy Fund" Which Toyota Motor to Participate as Investor

SPARX Group Co., Ltd. ("SPARX") and Toyota Motor Corporation ("Toyota") announced on September 19 that their agreement regarding the "Mirai* Renewable Energy Fund" to be established by SPARX, which aims to invest in renewable energy power facilities, with Toyota participating as investor. The fund's basic principle is "driving renewable energy growth and use throughout Japan," aiming to further improve regional economic development and Japan's energy self-reliance. *Mirai means future.

Toyota is looking toward future electricity supplies for its production plants, electric vehicles, and dealerships, as part of achieving its "Environmental Challenge 2050" goals through its investment in the new fund. The fund also aims to support the realization of a low-carbon society that makes maximum use of clean energy. Overview of the fund is as follows.

Basic principle: "Driving renewable energy growth and use throughout Japan"

Investment targets: Renewable energy power facilities (solar, wind, biomass, geothermal, and hydraulic)

Capital to be raised: Approximately 30.0 billion yen

Additional financing period: From November 1, 2018 until March 29, 2019

Fund period: 25 years from the day the fund is formed

<https://newsroom.toyota.co.jp/en/corporate/24616003.html>

Toyota and JR East Have Signed an Agreement on a Hydrogen-based Mobility Partnership

Toyota Motor Corporation (Toyota) and East Japan Railway Company (JR East) have signed a basic agreement for a comprehensive business partnership centered on a hydrogen-based mobility partnership between railways and automobiles. It was announced on a press release dated September 27.

The agreement is rooted in Toyota and JR East's desire to link railways and automobiles (two key means of land transport), fuse management resources, and accelerate the shift toward a low-carbon society by promoting initiatives that make use of hydrogen.

Toyota has developed fuel cell vehicles (FCEVs) and fuel cell buses (FC Buses), and has experience in supporting the establishment of a network of hydrogen supply infrastructure, including hydrogen stations. JR East possesses technologies, know-how, and management resources related both to the railway business and to the development of stations and station surroundings.

The two companies wish to combine their respective strengths, and are presently engaged in detailed discussions centered on a wide range of fields surrounding hydrogen use. These include: establishing hydrogen stations on land owned by JR East, introducing FCEVs and FC Buses as a means of local transport, and applying FC technologies in railway carriages.

Toyota and JR East are also keen to ensure any tie-up between the two companies will lead to initiatives that are fully integrated into local communities. To this end, the two companies intend to request the cooperation of local governments, businesses, residents, and other stakeholders. In this way, they aim to construct a hydrogen supply chain that contributes to both regional growth and development.

<https://newsroom.toyota.co.jp/en/corporate/24687658.html>

ADDITIONAL TOPICS

JOIN Provides Financing Support for the Development of Texas High-Speed Railway Project

Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) announced on September 10 that, through its special purpose vehicle (SPV), it signed a USD 300million Notes Purchase Agreement with Texas Central Rail Holdings, LLC (TCRH) to provide financing to TCRH for the purpose of development of the Texas High-Speed Railway Project, which entails connecting the two cities of Dallas and Houston in the State of Texas, United States.

This financing will be funded jointly by JOIN and Japan Bank for International Corporation (JBIC) through their equity investment to SPV, which in turn will provide financing to TCRH. The Project will use Japan's high-speed railway technology based on the Tokaido Shinkansen system owned and operated by Central Japan Railway Company.

http://www.join-future.co.jp/english/news/pdf/20180910_01_01.pdf

JOIN Supports the Sustainable Aviation Fuel Project in the United States

Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) announced on September 20 that it had entered into a contract on the preceding day with Fulcrum BioEnergy, Inc., a company based in California, United States to purchase its share, through a special purpose vehicle company established jointly with Japan Airlines Co., Ltd. and Marubeni Corporation. The purchase aims to enter into the business to produce and deliver sustainable aviation fuel that is produced from municipal solid waste (MSW), to the nearby airports. JOIN's share of the purchase price was 900 million yen and was made following the approval by the Minister of Land, Infrastructure, Transport and Tourism on August 24, as the first aviation-sector project for JOIN.

http://www.join-future.co.jp/english/news/pdf/20180920_01_01.pdf

NEDO Expands the Project Scope of Smart Community Demonstration in Slovenia

On September 24, the New Energy and Industrial Technology Development Organization (NEDO), Slovenia's Ministry of Economic Development and

Technology, Ministry of Infrastructure, and ELES d.o.o., Slovenia's state-owned electricity transmission system operator, signed the revised version of Memorandum of Cooperation (MOC), Minutes of Meeting (MOM) and Memorandum of Understanding (MOU), respectively for expanding the project scope of Smart Community Demonstration Project being carried out jointly from November 2016 and will start demonstration of a cloud-based Advanced Energy Management System (AEMS).

Under the expanded project scope, NEDO and Hitachi aim to establish an energy service business for large-scale consumers and electricity retailers by implementing and demonstrating a cloud-based AEMS which is linked with Battery Energy Storage System (BESS) installed on the consumer side, for example, in factories, buildings and homes, and which prevents power outages through autonomous operation during grid failure, ensures the quality of factory electricity through voltage dips mitigation measures, and provides frequency control to electricity transmission system operator.

On September 25, NEDO Chairman Hiroaki Ishizuka met with Marjan Šarec, Prime Minister of the Republic of Slovenia. They reaffirmed continuous cooperation and support for the project from the new government of Slovenia formed in September 2018.

http://www.nedo.go.jp/english/whatsnew_00050.html

US-Japan Cybersecurity Joint Training with ASEAN Member States Held

From September 10 to 14, the Industrial Cybersecurity Center of Excellence (ICSCoE) of the Information-technology Promotion Agency, Japan (IPA) invited five experts from the Department of Homeland Security (DHS) and Industrial Control Systems (ICS) of the National Cybersecurity and Communications Integration Center (NCCIC), the United States, to Japan and held a series of training programs titled “US-Japan Cybersecurity Joint Training with ASEAN Member States.”

The training brought together 36 participants from 15 countries and regions, including ASEAN member states, together with 83 trainees of the Program for Fostering Core Human Resources provided by ICSCoE.

http://www.meti.go.jp/english/press/2018/0914_001.html

JIS for Electric-power-assisted Bicycles Revised

Ministry of Economy, Trade and Industry (METI) announced on September 20,

revision of the Japanese Industrial Standards (JIS) for electric-power-assisted bicycles together with new establishment of basic optical fiber cable test procedures-Mechanical test methods.

Users of electric-power-assisted bicycles are shifting from the elderly, who were the original target generation of the bicycles, to the child-rearing generation as two children can ride with the driver, and to the younger generation.

In light of this situation, METI revised JIS D9115 (electric-power-assisted bicycles), to further define standards for these bicycles, e.g., methods of measuring an assistance ratio, i.e., the ratio of the force provided by the drive assisting device to the force generated by a driver by stepping on the pedal, so that the JIS can be applied to the large variety of current or future electric-power-assisted-bicycles.

http://www.meti.go.jp/english/press/2018/0920_002.html

Winners of the 12th Kids Design Awards Selected

Winners of the Grand Award (Prime Minister's Award) and METI Minister's Awards of the 12th Kids Design Awards have been selected. On September 25, the Kids Design Association held a commendation ceremony and received a message from Prime Minister Abe.

The Kids Design Awards (organized by the Kids Design Association, an NPO) is a program which recognizes outstanding products, spaces, services, activities, and academic programs that realize and disseminate the philosophies of designs for kids, namely designs that contribute to the safety and security of children, designs that cultivate children's creativity and sensibility, and designs that contribute to comfortably raising children.

Under the 12th Kids Design Awards, the Kids Design Association received 468 applicants for the program and selected 252 winners for their exceptional works. Among the winners, one winner was selected for the Prime Minister's Award, and four winners were selected for the METI Minister's Award.

Prime Minister's Award (one winner)

YKK Corporation
"QuickFree"

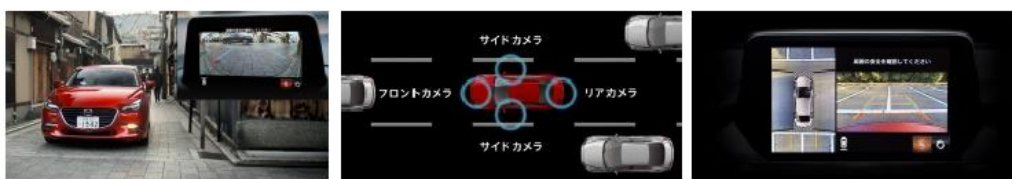


METI Minister's Award (four winners)

Designs that contribute to the safety and security of children; Category: Children

Mazda Motor Corporation

"360°View Monitor Based on Human-Centered Design Concept that Protects Children in Vehicle Blind Spots"



Designs that contribute to the safety and security of children; Category: General

Mt. Fuji Springs Inc.

"Water Server FRECIIOUS dewo"



Designs that develop children's creativity and shape their future; Category: Creative

Sony Corporation MESH Project
"MESH"



Designs that develop children's creativity and shape their future; Category: Literacy

Hakuhodo Incorporated/General Incorporated Association Think the Earth
"Momotaro Story Told from Various Points of View - Moral Education in Junior High School Triggered by a Newspaper Ad"



http://www.meti.go.jp/english/press/2018/0928_001.html