

## **JAPANESE INDUSTRY AND POLICY NEWS**

**June 2017**

### **LEGISLATION AND POLICY NEWS**

#### **Report on the New Industrial Structure Vision was Published**

The Ministry of Economy, Trade and Industry (METI) released on 30 May, a “Final Report on the New Industrial Structure Vision.” The compiled New Industrial Structure, officially re-named as “Future Vision towards 2030s” aims to identify and overcome any and all systemic challenges to society by taking advantage of technological innovations, including IoT, big data, artificial intelligence (AI), and robots; direct such achievements toward Japan’s economic growth, and achieve a more affluent society that each and every person can enjoy.

The vision reconsiders Japan’s advantages and disadvantages anew, designs Japan’s mid to long term future approaches to gain global markets and strategies therefor, and approaches which will lead to specific goals towards success, and presents a compilation of breakthrough projects, forecasting specific reforms of related systems.

According to METI, it will strive to lead the world’s industries under its policy of “Connected Industries,” taking advantage of the current trends brought about by the fourth industrial revolution, and to this end, it will be committed to efforts for achieving the “Future Vision towards 2030s”.

[http://www.meti.go.jp/english/press/2017/0530\\_003.html](http://www.meti.go.jp/english/press/2017/0530_003.html)

#### **A Study Group for Ideal Approaches to Competition Policies for the 4th Industrial Revolution Compiles a Report**

The Ministry of Economy, Trade and Industry (METI) released on 28 June, a report on competition policy and the fourth industrial revolution compiled by a study group. METI established the study group in January 2017 to discuss ideal approaches to competition policies for encouraging businesses to utilize data, from the perspectives of developing competitive environments and promoting innovations.

The report indicates that data have been attracting people’s attention as a source of value in business, while stakeholders in business inside and outside Japan have been increasing their interest in competition policies for utilization of

data. Meanwhile, from the perspective of achieving the Connected Industries, fair competition should not be obstructed, and also considers it undesirable for businesses to hesitate to embark on utilization of data due to apprehension for the impact that they may make on related competitive environments.

According to METI, the English version of the report summary as well as the full report will be posted soon.

[http://www.meti.go.jp/english/press/2017/0628\\_001.html](http://www.meti.go.jp/english/press/2017/0628_001.html)

### **Round Table Conference on "Connected Industries" Held with METI Minister**

Japan aims to achieve "Society 5.0" in the future through the full utilization of technological innovation including IoT, AI and Big Data derived from the fourth industrial revolution. To achieve Society 5.0, industries must play a key role. In light of this, the Japanese government has announced "Connected Industries," as a new concept framework in which industries will create new added value and the solutions to various problems in society through connectedness of various facets of modern life, including humans, machines, systems and companies. To this end, the Japanese government is advancing a wide variety of policy initiatives in cooperation with private sector parties.

As the first step in launching these initiatives, the Ministry of Economy, Trade and Industry (METI) held a round table conference on 29 May with Minister Hiroshige Seko, bringing together industrial players and experts.

At the round table conference, industrial players and experts cited specific case examples of industrial efforts involving the policy concept, as achievements derived from advanced technologies under the Smart Manufacturing policy, approaches to combining biological and digital fields, artificial intelligence (AI) utilization, and other initiatives. At the same time, they also proactively exchanged views with Minister Seko concerning these issues.

As for specific fields of industry, the following four categories were featured:

- 1) Smart Manufacturing
- 2) Autonomous driving vehicles
- 3) Robots, drones
- 4) Biology, healthcare

[http://www.meti.go.jp/english/press/2017/0529\\_005.html](http://www.meti.go.jp/english/press/2017/0529_005.html)

## **Contract Guidelines on Data Utilization Rights ver. 1.0 Formulated**

Concerning the issue of the free flow of data, there is an issue that currently businesses often do not clearly define rights of data utilization between companies, causing slow progress in the efforts for free flow of such data. To solve this problem, the Ministry of Economy, Trade and Industry (METI) and the IoT Acceleration Consortium (ITAC) organized approaches to developing appropriate contracts for stipulating user and transfer rights for data which is created, acquired or collected by businesses through their activities, and compiled the organized information into the “Contract Guidelines on Data Utilization Rights ver. 1.0” at the end of May. In line with the guidelines, they also compiled public opinions submitted in response to the public call for responses to the draft guidelines.

According to METI, the guidelines aim to show rationales for and methods of creating impartial rules for contracts between businesses for data utilization rights. They are expected to be utilized by a wide variety of people who are interested in data utilization, as well as personnel of companies in charge of negotiating or concluding such agreements.

The guidelines are also expected to be utilized by businesses in creating contracts agreeing to the use of data created in the course of business activities within the confines of the contracts.

The guidelines demonstrate rationales for and methods of: selecting target data to be included in the scope of contracts, by considering relevance to transactions and actual or potential utilization; and of making data catalogs and other lists based on discussions between parties.

The guidelines show key elements that businesses should focus on in creating appropriate and impartial rules for data utilization; provide a rationale for each specific use category and explain approaches that businesses should consider in negotiating and coordinating the details or terms of contracts.

[http://www.meti.go.jp/english/press/2017/0530\\_002.html](http://www.meti.go.jp/english/press/2017/0530_002.html)

## **IP5 Offices Agree on New Vision for Further Cooperation**

On June 1, the world’s five largest intellectual property (IP5) offices, namely the Japan Patent Office (JPO), the United States Patent and Trademark Office (USPTO), the European Patent Office (EPO), the State Intellectual Property Office of the People’s Republic of China (SIPO) and the Korean Intellectual Property Office (KIPO), held the 10th IP5 Heads Meeting in

Valletta, the Republic of Malta.

At the meeting, taking the opportunity of celebrating ten years of IP5 cooperation, the heads of the IP5 offices agreed on a new vision for IP5 cooperation as follows to promote an efficient, cost-effective and user-friendly international patent landscape: [i] patent harmonization of practices and procedures, [ii] enhanced work-sharing, [iii] high-quality and timely search and examination results, and [iv] seamless access to patent information. The IP5 offices also agreed on the date to start a pilot framework for testing a collaborative preparation of international search reports for international applications filed under the Patent Cooperation Treaty (PCT) as May 1, 2018. [http://www.meti.go.jp/english/press/2017/0602\\_002.html](http://www.meti.go.jp/english/press/2017/0602_002.html)

## **SURVEY AND BUSINESS DATA**

### **Number of Smartphone Users Keeps on Growing**

The Ministry of Internal Affairs and Communications (MIC) has summarized the results of a fiscal 2016 survey of communications utilization trends to report the status of telecommunications services used in homes and businesses as of the end of September 2016. MIC will post the detailed results of the survey in the Information & Communications Statistics Database (URL: <http://www.soumu.go.jp/johotsusintokei/statistics/statistics05.html> ) and make the posted data available in CSV format for machines to read it easily.

Survey result on internet and smartphones are as follows:

#### **1. Internet Utilization Trends**

- (1) The proportion of individuals utilizing the Internet reached 83.5%, a rise from 83.0% in 2015.
- (2) On the basis of income segmentation, approximately 90% of households with an annual income of 4 million yen or more were Internet users.
- (3) On the basis of generation segmentation, more than two-thirds of the people in their twenties were social networking service (SNS) and video posting users.
- (4) The proportion of companies using social media service reached 22.1%, which remained almost the same as the rate of the previous year, but the utilization rate of corporate social media services related to the finance and insurance industries rose to 34.1%.

## 2. Utilization Situation and Possession Rate of Smartphones

(1) The share of Internet users via smartphone reached 57.9%, a rise from 54.3% in 2015.

(2) The share of individual smartphone users reached 56.8%, a rise from 53.1% in 2015.

(3) The share of households owning smartphones reached 71.8%, and the difference in the share from households owning personal computers (73.0%) decreased by 1.2 points (from 4.8 points in 2015).

[http://www.soumu.go.jp/johotsusintokei/statistics/data/170608\\_1.pdf](http://www.soumu.go.jp/johotsusintokei/statistics/data/170608_1.pdf) (Japanese language only)

### **A Record Number of Applications Filed for Trademark Registration**

According to an Annual Report of Patent Administration that the Japan Patent Office (JPO) published on 29 June, the number of trademark application for domestic market was 148,024 in 2016. It is an increase of 12.7% from the previous year, reaching the most numerous level in history. Application from the small and medium enterprises which was 78,907 (+22.8%) contributed to the overall increase.

While the number of patent applications shows a decreasing trend since 2012, those from research institutions centering around universities recorded a slight increase in 2016. It was 318,381 cases overall, a decrease of 0.1% as compared to the previous year, of which 7,223 cases (+3.7%) were from universities et al.

<http://www.meti.go.jp/press/2017/06/20170629001/20170629001.html>

(Japanese language only)

[http://www.jpo.go.jp/shiryou/toushin/nenji/nenpou2017\\_index.htm](http://www.jpo.go.jp/shiryou/toushin/nenji/nenpou2017_index.htm)

(Japanese language only)

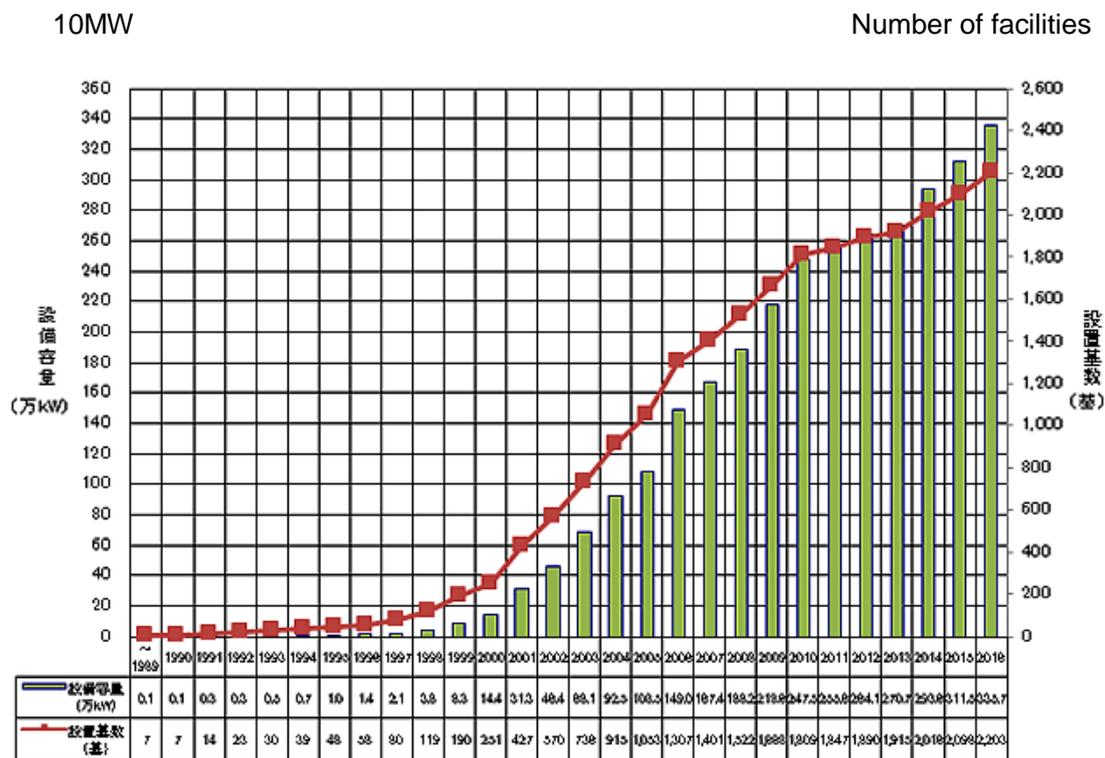
### **Establishment of Wind Power Generation Continues to Increase**

According to the statistics compiled by the New Energy and Industrial Technology Development Organization (NEDO), the generating capacity of wind power totaled 3,360 Mega Watt at the end of March 2017. It is an increase of 7.8% from the previous year. As regard to the number of facilities, a total of 2,203 power stations (+5.0%) were in operation.

By the origin of generators, 68.2% (1,502 facilities) are equipped with foreign machines. As for locations, Aomori, Akita and Hokkaido all in the northern area

are the top three prefectures with bigger generating capacities, followed by Kagoshima prefecture in the south west of Japan.

### Transition of Japanese Wind Power Capacities



(chart: NEDO)

[http://www.nedo.go.jp/news/press/AA5\\_100791.html](http://www.nedo.go.jp/news/press/AA5_100791.html) (Japanese language only)

## COMPANY NEWS

### Infini to Start Operation of Fukushima Factory for the Next Generation Module Production.

Infini Co., Ltd. announced on 8 June that it would start operation of newly constructed factory in Naraha-machi, Fukushima from the beginning of July. The new factory was built for manufacturing next generation photovoltaic modules which were expected to increase power generation capacity by 10 to 15%. Infini made an investment of 7.5 billion yen for the factory construction.

The company hopes to support Fukushima to reconstruct from the earthquake of 2011 by offering job opportunities to locals. Fukushima is the only prefecture in Japan, setting a goal to fulfil 100% of local power demand by renewable

energy.



(image: INFINITI)

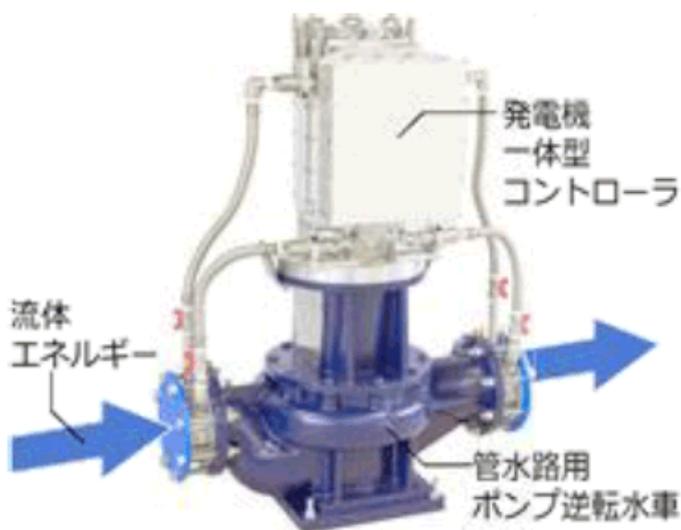
<https://infinigroup.co.jp/en/fukushima/>

### **Daikin Establishes a Subsidiary for Micro Hydraulic Power Generation**

Daikin Industries, Ltd., a leading manufacturer of air conditioners, announced on June 7 the establishment of a subsidiary called “DK-Power” which supply power, using its micro hydraulic generators.

DK-Power runs electric generation business by installing micro generators at the water supply facilities. They also provide maintaining services. According to Daikin, their system is cost effective because it needs only a half of space for installing machines as compared to ordinary generators.

Daikin’s Micro Hydro-Electric Generator



(photo: Daikin)

[http://www.daikin.co.jp/press/2017/170607\\_2/index.html](http://www.daikin.co.jp/press/2017/170607_2/index.html) (Japanese language only)

### **NTN Starts Sales of Micro Hydraulic Turbines**

NTN Corporation announced on 22 June that they would start selling micro hydraulic turbines from July. It does not need extra construction works since it can generate power by simply placing on a waterway. Also, it is possible to install several turbines in line as the unique shape of wing and winglets does not disrupt the stream. Generating capacity of “90 cm model” is 1kw with a stream of 2 meters per second.



(photo:NTN)



(photo: NTN)

[http://www.ntn.co.jp/japan/news/new\\_products/news201700061.html](http://www.ntn.co.jp/japan/news/new_products/news201700061.html) (Japanese language only)

## **NEDO and Zenrin Conduct Demonstration Test of Autonomous Flight Support System for Drones Using 3D Maps**

On June 2, New Energy and Industrial Technology Development Organization (NEDO) and Zenrin Co., Ltd. conducted a demonstration test of an autonomous flight support system for drones that uses three-dimensional maps on the premises of an abolished school in Kitakyushu City.

This demonstration test utilized the school building, trees, fences, etc. on the old school premises as obstacles to simulate the environment of actual cities. Tests were conducted under three kinds of scenarios, including basic flight to a destination, obstacle avoidance, and safety behavior in case of trouble including the loss of battery power.

According to NEDO and Zenrin, they will aim for the rapid realization of autonomous flight in inhabited environments including urban areas by continuing to make improvements to the system based on the findings gained through this demonstration test.

[http://www.nedo.go.jp/english/news/AA5en\\_100239.html](http://www.nedo.go.jp/english/news/AA5en_100239.html)

## **ADDITIONAL TOPICS**

### **METI and Thai MOI Conclude a Memorandum of Intent on Eastern Economic Corridor and Cooperation on Upgrading Industrial Structure**

On June 7, Mr. Hiroshige Seko, Minister of Economy, Trade and Industry, and H.E. Mr. Uttama Savanayana, Minister of Industry, the Kingdom of Thailand, concluded a Memorandum of Intent on the Eastern Economic Corridor and Cooperation on Upgrading Industrial Structure.

Aiming to enhance industry in Thailand, focusing on the Eastern Economic Corridor (EEC), the memorandum declares cooperation between the Ministry of Economy, Trade and Industry (METI) and the Ministry of Industry (MOI) of Thailand in a variety of efforts, including providing opportunities of Japan-Thailand dialogues to convey opinions of Japanese industrial players to Thailand and sharing information on infrastructures and other progress involving the EEC.

[http://www.meti.go.jp/english/press/2017/0607\\_001.html](http://www.meti.go.jp/english/press/2017/0607_001.html)

### **Consortium for Developing Drone Operating Control Systems Inaugurated**

New Energy and Industrial Technology Development Organization (NEDO) organized a press conference on June 16, together with the Japan Aerospace Exploration Agency (JAXA) and five private companies to announce inauguration of a consortium for developing operating control systems for the drones.

Participants from the private sector were NEC Corporation, NTT DATA Corporation, Hitachi, Ltd., NTT DOCOMO, INC. and Rakuten, Inc. The consortium will engage in the development of operating control systems which are essential for the accurate, safe and effective use of a large number of drones.

[http://www.nedo.go.jp/ugoki/ZZ\\_100607.html](http://www.nedo.go.jp/ugoki/ZZ_100607.html) (Japanese language only)

### **A Portal Website “Open for Professionals” Starts for Highly-skilled Foreign Professionals**

The Ministry of Economy, Trade and Industry (METI) has started an information portal website called “Open for Professionals,” aiming to enhance public-relations campaigns for attracting the attention of highly-skilled professionals to Japan.

In cooperation with related organizations, METI provides on the website information that highly-skilled foreign professionals already working in Japan or intending to seek employment in Japan may need, e.g., living environments and immigration policies of Japan. METI will update the website as needed to improve the provided information.

[http://www.meti.go.jp/english/press/2017/0612\\_001.html](http://www.meti.go.jp/english/press/2017/0612_001.html)

[http://www.meti.go.jp/english/policy/external\\_economy/professionals/index.html](http://www.meti.go.jp/english/policy/external_economy/professionals/index.html)

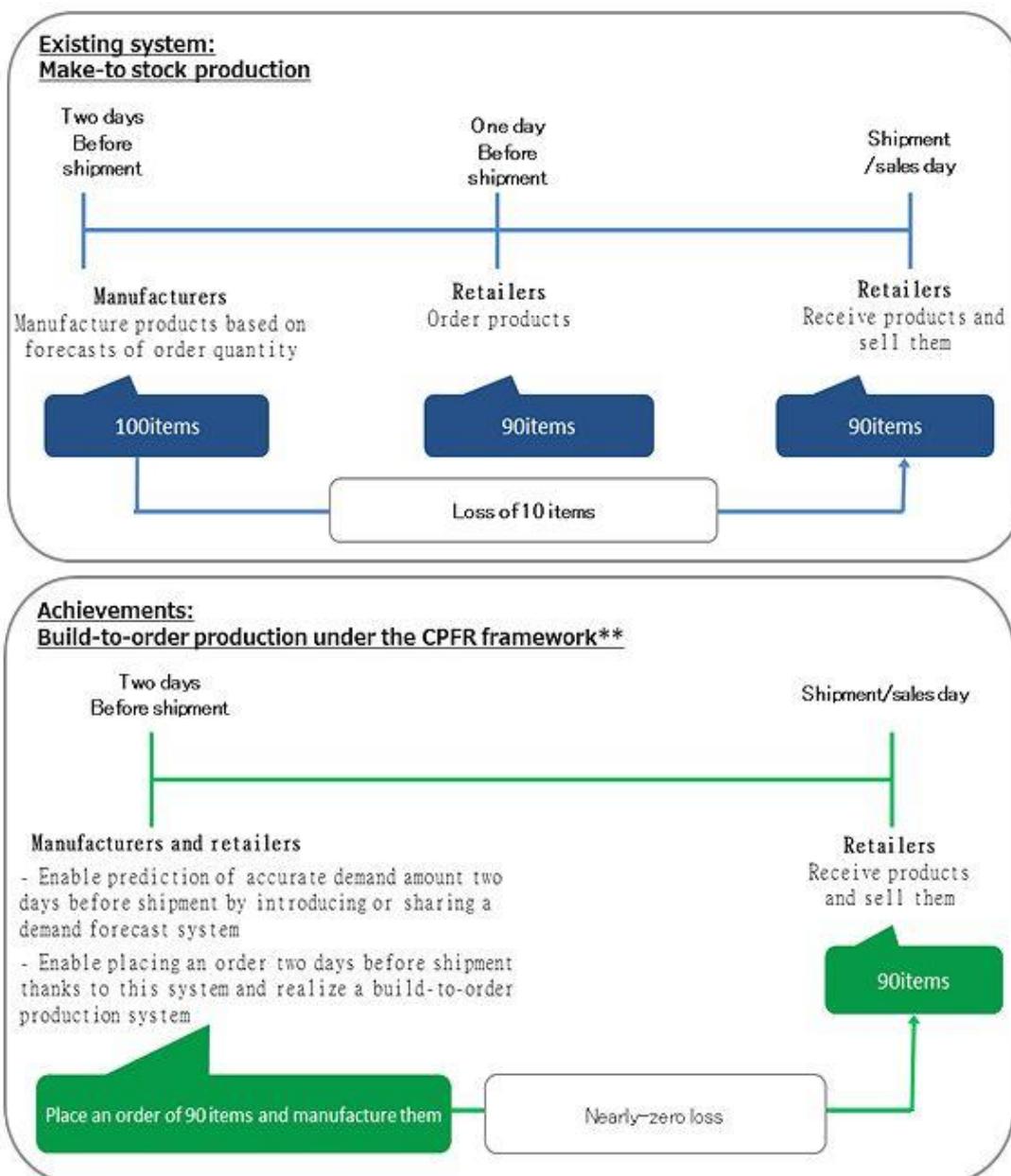
### **Successful Achievement of Zero Food Loss by Forecasting Demand Based on Weather Information**

The Ministry of Economy, Trade and Industry (METI) and the Japan Weather Association (JWA) have been collaborating in an initiative titled “Project for Saving Distribution-related Energy through Enhancing the Precision of Demand Forecasts and Sharing Them,” aiming to utilize forecast information and other data for reducing food loss and other waste in supply chains.

In the FY2015 program, METI introduced demand-forecast data on tofu, which was developed in the project, to manufacturers and confirmed a certain level of

reduction in food loss. In the FY2016 program, METI further sophisticated demand forecast techniques and encouraged manufacturers and retail businesses to share demand forecasts, through which METI experimented with a shift of the existing production system from “make-to-stock production” to “build-to-order production.” As a result, METI successfully confirmed an effect of nearly-zero food loss concerning tofu, with no stockouts.

Flows of the existing and new production systems



[http://www.meti.go.jp/english/press/2017/0605\\_003.html](http://www.meti.go.jp/english/press/2017/0605_003.html)

### **“METI Journal” Shifts from Bimonthly Magazine to Daily Journal**

The Ministry of Economy, Trade and Industry (METI) announced on 15 June that it has changed the release schedule for a series of electronic public relations magazines titled the “METI Journal”, from a bimonthly release to a business day-based schedule. METI will release a new journal on a daily basis, based on a monthly theme including statistical information. Along with this remodel, English web magazine “METI Journal” will cease its publication.



< Picture of the media website, provided by METI >

[http://www.meti.go.jp/english/press/2017/0615\\_001.html](http://www.meti.go.jp/english/press/2017/0615_001.html)