JAPANESE INDUSTRY AND POLICY NEWS
January 2018

LEGISLATION AND POLICY NEWS

New Program for Advancing the Comprehensive Distribution Policy Decided

The Ministry of Economy, Trade and Industry（METI） announced on 31 January that, in collaboration with other relevant ministries and agencies, it formulated the Program for Advancing the Comprehensive Physical Distribution Policy, which compiles concrete distribution policy measures to be promoted. The program was approved at the Comprehensive Physical Distribution Policy Promotion Council.

At the Cabinet meeting on July 28, 2017, the FY2017-FY2020 Comprehensive Physical Distribution Policy Outline was decided and six future directions of focus to be promoted by the national government were presented with the aim of achieving a "robust distribution industry" that sustainably bolsters Japanese economic growth and people's livelihoods in response to new future needs of consumers for the distribution industry.

Based on the outline, the Program for Advancing the Comprehensive Physical Distribution Policy, which compiles concrete distribution measures to be promoted by the national government, was approved on January 31 at the Comprehensive Physical Distribution Policy Promotion Council, which consists of Director Generals of relevant ministries and agencies.

The program compiled 99 concrete measures to be promoted（of which, 68 measures are newly added or existing measures with expanded content）. It set goals and indicators for each measure and prepared a process sheet for initiatives to be made in each fiscal year for achieving the goals.

The implementation status of the Program is followed up at the end of each fiscal year and the progress is to be managed using a PDCA cycle with the program reviewed and updated as necessary.

http://www.meti.go.jp/english/press/2018/0131_003.html

Grand Prix Winner of the Japan Healthcare Business Contest Selected

As an effort to discover and foster leaders in the next-generation healthcare industry, the Ministry of Economy, Trade and Industry（METI）held a business

contest titled "Japan Healthcare Business Contest 2018" to recognize companies taking outstanding efforts toward creating new business in the field of healthcare. In the contest, five finalists passed the preliminary examination and made open-style presentations as the final examination. METI selected the Grand Prix winner among the finalists.

The Grand Prix went to a therapeutic medical device providing a dual-task exercise rehabilitation program using virtual reality and artificial intelligence technologies, developed by mediVR, Inc.

In addition, the following four companies were accorded Excellence Awards.

(1) iCARE Co., Ltd.

Title：Carely, a new platform for health and productivity management programs through which SMEs are able to achieve an industrial hygiene system on par with those of large enterprises

(2) OQTA, Inc.

Title：Effort for developing approaches to eliminating the phenomenon of people being devastated by solitude away from society, a situation bringing about the greatest sorrow in their lives

(3) PREVENT Inc.

Title： iPrevent, a project to prevent people from suffering from severe diseases by taking advantage of online services

(4) Yukashikado Inc.

Title : VitaNote, the world's first kit of personal urine inspection, a means to assess excess and deficiency of nutrition

http://www.meti.go.jp/english/press/2018/0118_002.html

Winners of the 7th Monodzukuri Nippon Grand Award Announced

The Ministry of Economy, Trade and Industry（METI）, the Ministry of Land, Infrastructure, Transport and Tourism（MLIT）, the Ministry of Health, Labour and Welfare （MHLW） and the Ministry of Education, Culture, Sports, Science and Technology （MEXT） announced on 15 January, a total of 71 individuals（24 projects）as winners of the Prime Minister's Prize for the Seventh Monodzukuri Nippon Grand Award.

METI also selected 244 individuals and 3 organizations （51 projects） as winners of the METI Minister's Prize, the Special Prize and the Excellence Prize.

The Monodzukuri Nippon Grand Award is a program to recognize outstanding individuals from various generations engaged in monodzukuri （manufacturing）.

Outline of the seven METI-related projects alone among all winners of the Prime Minister's Prize is as follows.

(1) Development of processes for manufacturing raw materials for iron making suitable for reducing carbon dioxide emissions （Super-SINTERR）
(2) Development of the world's leading IoT sensors that drive industrial innovations
(3) Mega-container transport ships with outstanding safety and environmentally-friendly capabilities, an achievement brought about by an innovative structure and construction technology called "structural arrest"
(4) Large-capacity data tape with outstanding performance in total user costs, an achievement bolstering the era of big data and IoT
(5) Development of a ship-mounted device for manufacturing sherbet-like sea water ice to hold the freshness of harvested marine catches and application products
(6) Development of a group of Japan-oriented injection molding technologies that may trigger plant-derived biodegradable resins to be popularized throughout the world
(7) Reproduction of cultural properties using a three-dimensional ceramic technology based on traditional technologies

内閣総理大臣表彰
ものづくり日本大賞

Logo of the Monodzukuri Nippon Grand Award

http://www.meti.go.jp/english/press/2018/0115_002.html

World's First Test of Expressway Traveling of CACC-mounted Trucks in a Caravan with Drivers in the Second and Following Trucks Launched

The Ministry of Economy, Trade and Industry （METI） and the Ministry of Land, Infrastructure, Transport and Tourism （MLIT） have been advancing a project titled “Research and Development/Demonstration Project for Implementation of an Advanced Autonomous Driving System in Society.” As part of this effort, on January 23, they launched a demonstration test of expressway traveling of trucks in a caravan in which the second and following trucks are driven by people, taking advantage of a CACC technology. This test was conducted on the Shin Tomei Expressway between Hamamatsu Service Area and Enshu-morimachi Parking Area.

Notes:

＊1 This expressway traveling of trucks in a caravan with drivers in the second and following trucks, the trucks of which use a CACC technology jointly developed by multiple truck manufacturers and have been developed by four different truck manufacturers, is the world’s first effort.

＊2 The term “CACC” is an abbreviation of “Cooperative Adaptive Cruise Control.” Using a communication means of the cooperative support system for keeping a predetermined inter-vehicle distance, the CACC function receives control information from a leading vehicle, automatically controls speed, and keeps the predetermined inter-vehicle distance.

http://www.meti.go.jp/english/press/2018/0112_001.html

SURVEY AND BUSINESS DATA

Unemployment Rate Went Down to 2% level

According to the Statistics Japan (Statistics Bureau, Ministry of Internal Affairs and Communications) the number of employed persons in December 2017 was 65.42 million, an increase of 520,000 or 0.8% from the previous year. The number of unemployed persons in December 2017 was 1.74 million, a decrease of 190,000 or 9.8% from the previous year.

The unemployment rate, seasonally adjusted, was 2.8%. It registered an improvement of 0.3% point from a year earlier.

	(10 thousand persons)		
	December figures	Change from the previous year	
			(%)
Population aged 15 years old and over	11103	-8	-0.1
Labour force	6716	33	0.5
Employed persons	6542	52	0.8
Employee	5863	43	0.7
Unemployed persons	174	-19	-9.8
Not in labour force	4380	-40	-0.9
Labour force participation rate (%)	60.5	0.4	-
Employment rate (%)	58.9	0.5	-
Unemployment rate, original series (%)	2.6	-0.3	-
	Current month	Change from the previous month	
Unemployment rate, seasonally adjusted (%)	2.8	0.1	-

http://www.stat.go.jp/english/data/roudou/results/month/index.htm

Active Job Opening-to-applicants Ratio Continues to Improve

According to the statistics of the Ministry of Health, Labour and Welfare published on 30 January, active job openings-to-applicants ratio (seasonally adjusted) in December 2017 was 1.59. Improvement of the ratio continues for several years. The ratio was as little as 0.44 in December 2009.

New job openings (not seasonally adjusted) in December 2017 was 922,213 persons, an increase of 9.6% as compared to the same month in the previous year. By major industrial sector, “Medical, health care and welfare” registered an increase of 11.2%, “Wholesale and retail trade” increased by 5.0% and “Manufacturing” increased by 16.6%.

http://www.mhlw.go.jp/english/database/db-l/g_workers_dec2017.html

New Installation of Wind Power Generation Recorded Decline for 2 Consecutive Years

According to the statistics that the Japan Wind Power Association (JWPA) published on 17 January, new installation of wind power generation in 2017 was 169 MW with 77 units. It is a decrease by 12% from the previous year, resulting in a decline for two consecutive year from 2015. JWPA attributes the cause of decrease to the delay of many projects due to time consuming environmental

impact assessment procedure.
Total of installed capacity of wind power generation at the end of 2017 was measured at 3,399 MW with 2,225 units.
http://jwpa.jp/page_256_englishsite/jwpa/detail_e.html

Sales of Foreign-brand Cars Reached Highest in 20 Years

According to the Japan Automobile Importers Association (JAIA), registration in Japan of new imported foreign brand passenger cars were 305,043 in 2017. It is an increase by 3.7% as compared to the previous year, reaching a highest level in 20 years. In addition, a total of 28,408 unit of imported Japanese brand cars were registered in 2017.
By brand, Mercedes-Benz ranked first with sales of 68,215 units, up 1.2% from a year earlier. BMW came in second with 52,527 units (+3.9%) and Volkswagen (49,036 units, +3.8%) was third.
The market share of foreign-brand cars among ordinary sized passenger cars was calculated at 10.4% since the total number of new car sales excluding smaller cars of up to 660 cc engines were 2,943,010 units in 2017.
http://www.jaia-jp.org/wp-content/uploads/private/201712NewCarNews_e.pdf
http://www.jada.or.jp/contents/data/type/index04.html (Japanese language only)

New Record of 28 Million Foreign Visitors Arrived in 2017

The Japan National Tourism Organization (JNTO) announced on January 16 that the number of foreign visitors to Japan in 2017 reached 28.69 million. It is an increase of 19.3% from the previous year, recording the largest number in history.
By Country/area of origin, Chinese tourists were the most numerous with 7.36 million, followed by South Korean (7.14 million) and Taiwanese (4.56 million). As regards Europe, all of British (310,500 persons), French (268,500), German (195,600), Italian (125,800) and Spanish (99,900) tourists renewed their past records. Russian tourists (77,200) recorded a rapid increase of 40.8% from 2016, reflecting the decline of airfares and more favorable conditions for visa issuing.
https://www.jnto.go.jp/jpn/statistics/data_info_listing/pdf/180116_monthly.pdf

COMPANY NEWS

Chubu Electric Power and Toyota to Start EV Battery Reuse and Recycling Verification Project

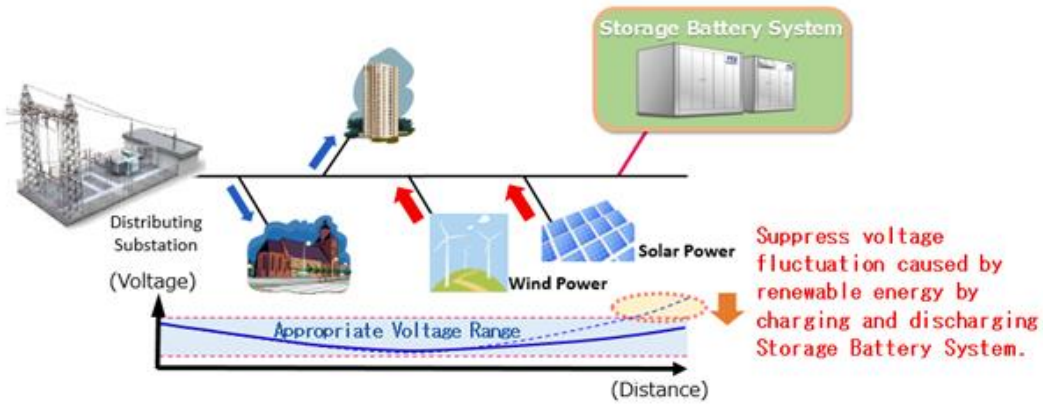
Chubu Electric Power Co., Inc. and Toyota Motor Corporation announced on 31 January that the two companies have concluded a basic agreement with the aim of starting a verification project that entails construction of a large-capacity storage battery system that reuses electrified vehicle batteries, as well as examination of the recycling of used batteries.

Chubu Electric Power said that it recognized the importance of accurate management of fluctuations in its energy supply-demand balance caused by the recent large-scale introduction of renewable energy, and is promoting efforts toward further improving the operation of its electric power system.

Toyota is actively promoting the use of electrified vehicles, as per "Toyota's Challenge to Promote Widespread Use of Electrified Vehicles" announced in December 2017, and is also pursuing the effective use of batteries and the development of social infrastructure that will support the widespread adoption of electrified vehicles.

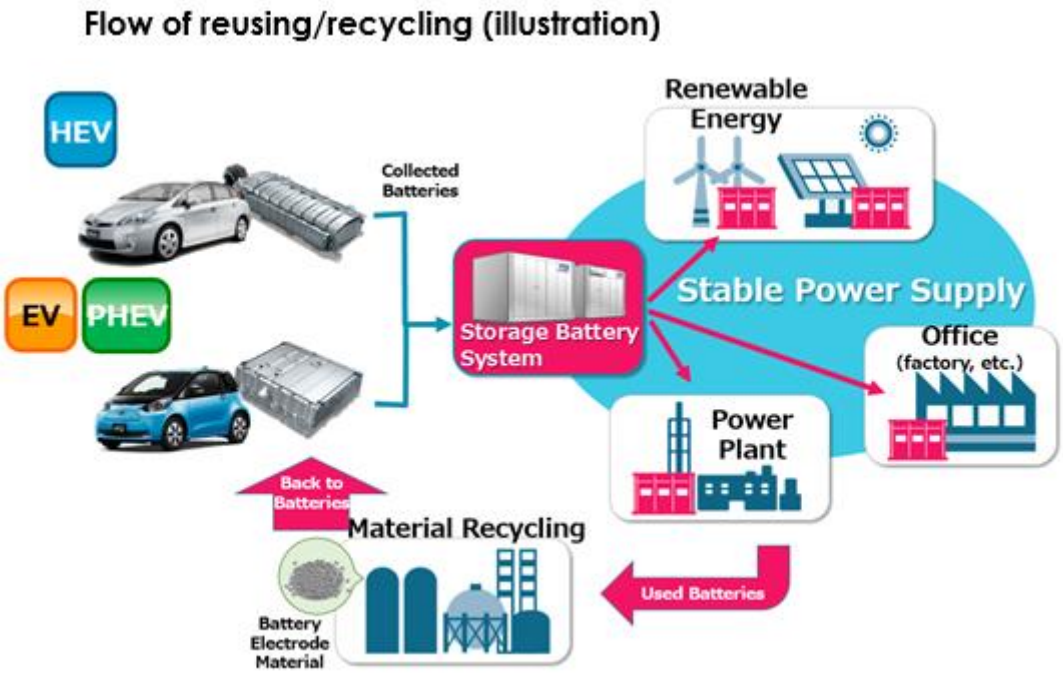
Pursuant to the basic agreement concluded, the two companies aim to reuse batteries collected from electrified vehicles manufactured by Toyota as a storage battery system for utilization in meeting various challenges posed by the electric power system.

Utilization to counter voltage fluctuations in distribution systems



Based on the results of the verification test, the two companies aim to introduce power generation capacity of approximately 10,000 kW, equivalent to 10,000 batteries, in FY 2020.

The two companies will consider establishing a mechanism to recycle reused batteries by collecting materials such as rare-earth metals and re-utilizing them.



http://www.chuden.co.jp/english/corporate/ecor_releases/erel_pressreleases/3266976_18939.html

ADDITIONAL TOPICS

JPO Adopted a Special Mark for Regional Brands Protection System

Japan Patent Office (JPO) announced on 25 January that they created a special mark for the “Regional Collective Trademark System.” The Regional Collective Trademark System was introduced in 2006 as a means of more promptly and properly protecting regional brands, establishing trademark rights for them under the Trademark Act.

The newly adopted mark signifies that the local specialty concerned is

registered as a regional collective trademark at the JPO.

Newly Adopted Mark for Protecting Regional Brands

Colored type

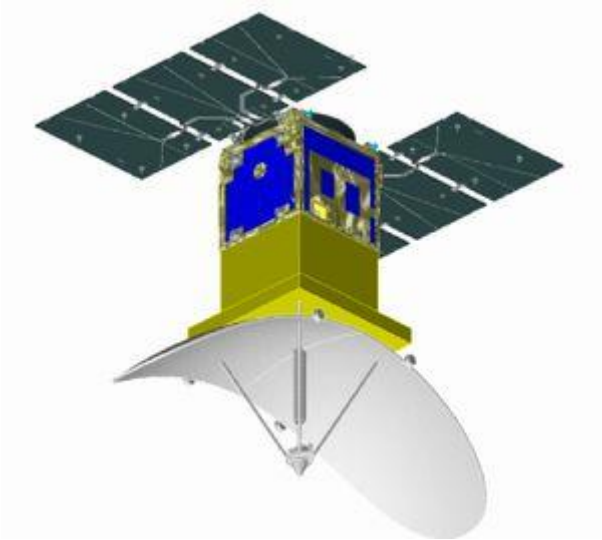
Black and White type

http://www.jpo.go.jp/torikumi/t_torikumi/t_dantai_mark.htm (Japanese language only)

Advanced Small Radar Satellite "ASNARO-2" Launched Successfully

ASNARO-2, an acronym of "Advanced Satellite with New System Architecture for Observation," is an advanced small radar satellite for earth observation, the development of which the Ministry of Economy, Trade and Industry （METI） has supported. METI announced that on January 18, the satellite was launched by the Third Epsilon Launch Vehicle from a JAXA Uchinoura Space Center launch site and that it was operating as scheduled.
Outline of the performance of the ASNARO-2 is as follows.

Major on-board device: Synthetic aperture radar
GSD：1.0m
Observable width：10km
Mass：570kg

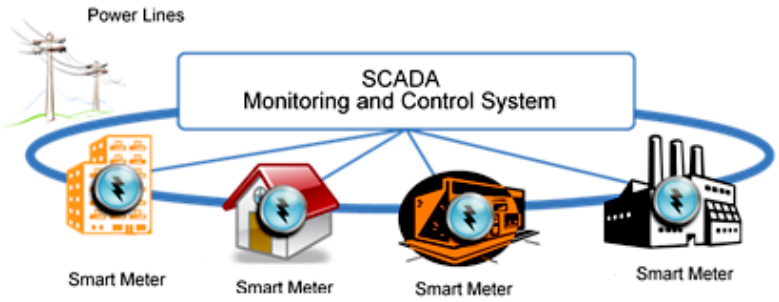


http://www.meti.go.jp/english/press/2018/0118_001.html

NEDO Launches Full-scale Smart Grid Demonstration Project in India
New Energy and Industrial Technology Development Organization (NEDO) announced on 26 January that it has launched a full-scale smart grid demonstration project on the actual grid system together with Uttar Haryana Bijli Vitran Nigam Limited (UHBVN) in India. An installation of a Supervisory Control And Data Acquisition system as well as approximately 10,000 smart meters was recently completed in the state of Haryana, India.

The project's goal is to demonstrate technology for reducing distribution loss, a key challenge facing power distribution companies in India. With NEDO's system installed, distribution loss is reduced by monitoring and controlling the distribution system with the Supervisory Control And Data Acquisition System, as well as by collecting data on electricity consumption via the installed smart meters in the target area in Panipat.

By undertaking this project, NEDO aims to contribute to transforming the distribution network in India into a "smart" system, and in doing so, promote the dissemination of Japanese smart community technology.



The SCADA system, powered by Japan's smart grid technologies. The following technological innovations will be demonstrated in the project:

(1) Peak load reduction technology

(2) Distribution line monitoring and control technology

(3) Distribution loss reduction technologies to deal with issues such as the theft of electricity, tampering with electric meters, and tariff collection omission

Figure 1: Project Concept

Fuji Electric Co., Ltd. and Sumitomo Electric Industries, Ltd. have been selected to carry out the project.
http://www.nedo.go.jp/english/news/AA5en_100335.html