

ECOM News

No.20

Headline

- The 3rd Planning Committee Meeting for FY 2006
- Special Report IT-based Value Chain Reform
- Activity Report on the RFID Tag Field Operation Trials
- Activity Report by the Long-Term Signature WG
- Activity Report by the IT Utilization WG
- The e-Biz Expo 2006 in Korea Participation Report
- Report of the Busan Meeting of the Japan-Korea EC Promotion Council

The 3rd Planning Committee Meeting for FY 2006 — Activity Reports for the First Half of FY 2006 —

The Third Planning Committee Meeting - November 7, 2006 -

In cooperation with Kao Corporation, the 3rd Planning Committee meeting was held at Kao Arida Training Center to report activities for the first half of FY 2006 (midterm report). Participants visited the Sakai Logistics Center of Kao Logistics Co., Ltd. on the day before the committee meeting and the Wakayama Plant of Kao Corporation after the committee meeting.

[Activity reports for the first half of FY 2006]

Secretary-General Kataoka reported on the overview of working group (WG) activities, and the following Research Directors made reports on activities by individual WGs: Takemoto and Wakaizumi (Special Committee on RFID Tags/Traceability), Kawashima (EC Safety & Security Group), Yamada (IT Utilization Group) and Wakaizumi (Technological Infrastructure Development Group). Activities by cross-cutting working groups (International Relations Group and Public Relations Group) were also reported.

[Site tours]

At the Sakai Logistics Center (distribution center of Kao products to retail stores), Mr. Kenichi Iwakiri, Deputy General Manager of Sakai Logistics Center of Kao Logistics Co., Ltd. kindly presented the outline of the center and took the participants to an internal site tour.

At the Wakayama Plant, Mr. Masami Ikenouchi, Deputy Plant Manager (-Wakayama Plant) of Kao Corporation, kindly presented the outline of the plant and took the participants to both production lines for clothes/ household/ dishwashing detergents, etc. and attached research laboratories.



Participants in the 3rd Planning Committee Meeting (at the Wakayama Plant)

Kunio Noji

Director and Senior Executive Officer

Komatsu Ltd.



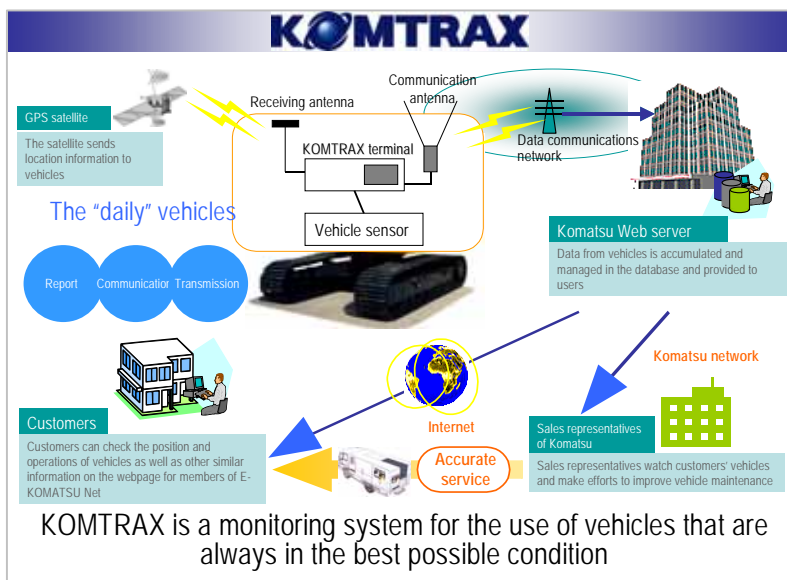
1. Introduction

We have been examining the introduction of IC memories and tags since the 1990s. When we took part in a competition for the “FY 2004 RFID Tag Field Trials” sponsored by the Ministry of Economy, Trade and Industry, and our plan was adopted, and since then, we have been developing good relations with ECOM. The field trial was carried out from November, 2004 through the end of February, 2005. During that period, we invited ECOM members to our Awazu Plant in Ishikawa Prefecture where the field trial was conducted, and received their valuable comments on the use of RFID tags. We are very delighted to have had such an opportunity. We would like to get a wide range of opinions from all of you so that ECOM can develop effective activities in the future.

2. The Cornerstone of Komatsu’s Management and IT-based Value Chain Reform

We feel that the Komatsu spirit, which has been created and maintained by our predecessors for 85 years since the establishment of the company, has been continuously handed down through daily operations almost as a gene belonging to our employees. We have recently put the spirit into a written commitment as the “Komatsu Way” to share it with the entire group. The cornerstone of Komatsu’s management is commitment to “quality and reliability” for the maximization of its corporate value. As a manufacturer, we put the “strengthening of manufacturing competitiveness” at the core of our actions. This does not only indicate activities at manufacturing sites in a narrow sense, but also joint activities carried out by all departments and partners that are members of the value chain, including business partners, sales representatives as well as internal departments. To help bring such activities to fruition, we are making efforts to create an IT-based system to quickly understand on-site information and timely respond to its changes. The KOMTRAX (operation management system) and RFID tags presented below are positioned as the driving forces of this reform.

Figure 1: What is KOMTRAX?



(1) KOMTRAX

We have been making use of KOMTRAX (Fig. 1), an operation management system for construction machinery, since 2003. It is a system to understand, in real time, the conditions and positions of construction machines all over the world. With the system, we aim to provide high-value services to customers by detecting and responding to troubles in advance and taking other similar measures.

(2) Introduction of RFID Tags

RFID tags are positioned as micro tools for gathering information in the headstream to help visualize movements by components, while KOMTRAX is positioned as a macro tool for gathering information in the

upstream. As described below, we have applied RFID tags to each job site (Fig. 2). We hope that we will be able to expand the range of application into areas close to users including the component regeneration business.

Figure 2: IC memory/tag/card application cases by Komatsu

No.	Activity	Main purpose						
		Quality assurance	Progress management	Operation management	Safety management	Working-hour reduction	Inventory reduction	Others
1	Gathering of actual results on bolt fastening at assembly plants	●						
2	Progress management on the assembly of small cars	●					●	
3	Progress management on welding lines for large products		●	●				
4	Safety and operation management on forklifts		●	●	●		●	
5	Field trial by the Ministry of Economy, Trade and Industry: progress management on assembly and parts supply		●				●	
6	Assembly of medium-size cars: investigation progress management		●	●		●		
7	Receipt of purchased parts		●			●		●
8	Progress management on the assembly and processing of parts for large products		●			●	●	
9	Production support for new plants: visualization of assembly and preparation	●	●			●	●	●
10	Development into the engine regeneration business	●	●	●			●	●

The first expectation for RFID tags lies in the potential that they can contribute to improvement in the “manufacturing efficiency” of gathering information on the progress of logistics and the progress of production lines. Because we procure 70% to 80% of all parts from external business partners, cooperation with these partners is indispensable for us to improve manufacturing efficiency. In addition, even if parts arrive without any trouble, product requirement specifications sometimes change immediately before delivery. In particular, specifications such as with or without radios, sizes and brands of tires and length of underbody crawler tracks, often change on the eve of delivery, and people in the field are preoccupied on a daily basis with responding to emergency situations. In responding to sudden occurrences in the supply chain where a lot of companies forming tie-ups, people recognize and cope with the discrepancies between actual performance and plans; however, this way of handling such situations has its limitations. What is effective is a system in which “goods talk.” RFID tags have a huge potential as tools through which goods send progress information to persons in charge and the information is shared across the whole supply chain. In the “New IT Strategies” formulated by the government in 2006, the use of RFID tags is listed as one of the important measures and it is expected that a system will be created to promote the use in multi-strata corporate groups.

The next expectation for RFID tags is that they will be used for tracing during product life cycles. We expect that we will be able to create a new business model to prevent troubles and solve problems in a drastically short period of time, by obtaining the history of important parts and replacement information. In our case, as a result of the fact that the ratio of overseas sales is close to 70% and that the ratio of overseas production is higher than 50%, the number of overseas operation sites has been increasing. It is necessary to promote the use of RFID tags not only in domestic companies but also on overseas sites.

The field trial was held at Komatsu’s Awazu Plant from November, 2004 through to the end of February, 2005, in cooperation with Daikyo Corporation, a major parts manufacturer and one of our business partners. In the trial, we attached RFID tags to core parts of loaders with tires to be delivered to our company, which allowed both of us to obtain the results in real time. At that time, it was the first trial in the industry to improve efficiency of a supply chain by means of such an inter-company linkage. There are problems such as necessary further improvement of the reading ratio and reduction in cost for introducing RFID tags, but we have been continuing activities by raising restructuring of work as prioritized IT strategies in line with the expansion of the application of RFID tags. We will introduce a production support system fully based on RFID tags into a new plant currently under construction in Ibaraki Prefecture, which will start manufacturing operations at the beginning of 2007. We hope that we will be able to accumulate a substantial amount of practical knowledge.

3. Conclusion

As main production sites, we have now seven domestic plants and sixteen overseas plants in operation. We sell products manufactured at these sites to customers all over the world and also provide support for after-sales service. Under these circumstances, we recognize the necessity of internationalizing and standardizing RFID tags from a global point of view, in order to make full use of RFID tags and reform the value chain. In particular, in consideration of the fact that Asian countries are gaining importance as assembling and part manufacturing sites, it is necessary to provide infrastructure development instruction and support programs for our partner companies in these countries to introduce RFID tags. We hope that such activities will be implemented by the government hand-in-hand with the private sector.

Last of all, as a board member of ECOM, I would like to say that we are willing to contribute to the strengthening of our industrial competitiveness, to the best of our ability, by expanding the practical use of RFID tags based on your opinions.

-Activity Report on the RFID Tag Field Operation Trials- Outline of the RFID Tag Field Operation Trials

Masatomo Takemoto, Research Director of the Special Committee on RFID Tags/Traceability of ECOM, reports on the RFID tag field operation trials by ECOM for FY 2006.

1. Purpose of the trials

The purpose of the trials is to allow ECOM member companies to experience RFID tags by actually introducing RFID tags and "RFID tag passes issued by ECOM" into fields (e.g. ECOM seminars). Through the trials, the participants can verify the performance of multi-tags and multi-readers based on RFID tags produced by multiple manufacturers and their use for participation registration and entrance/exit management in these events.

UHF RFID tags are to be adopted in these trials. Major distribution chains in Europe and the U.S.A. have already started to fully use the tags in logistics management because they are excellent in the communication distance and their range of reading. It is expected that their use will further spread also in Japan because ministerial ordinances in relation to the Radio Law, revised in April, 2005 and January, 2006, have approved the use.

2. Trial examination system

The examiners will be the Chairman, volunteer members of the Planning Committee and intellectuals.

3. Outline of the framework of trial fields

The trials are to be conducted in two fields.

In the first trial field, "the technological evaluation and verification of RFID-tag reading, etc." was conducted with the aim of verifying the performance of multi-tags, multi-readers and other similar products in anticipation of the mixing of RFID tags and RFID tag systems produced by various manufacturers for the future dissemination of RFID tag systems. As for technological verification, with cooperation from Mr. Umejima (Keio Research Institute of SFC), the Project General Manager of RFID Tag Field Trials Analysis/Education WG of ECOM, the RFID tag passes issued by ECOM were examined in RFID tag trials carried out in his session in the SFC Open Research Forum (ORF) 2006 held on Wednesday, November 22. In the first trial field 1, the technological trial was conducted under limitations. The results will be reported at a later date.

In the second trial field, operation trials for an entrance-and-exit control system based on RFID tags will be conducted when controlling the entrance and exit of persons at ECOM seminars and other similar events. We will swiftly control such movements by reading RFID tag passes with the entrance-and-exit control system when participants come in and leave seminar rooms (with the admittance of multiple entries). The main difference from similar systems in the past is that UHF RFID tags will be used (EPC Class1 Generation2, an international RFID tag standard determined by EPC global, will be adopted) this time for smoother operation. We will also examine the effects and problems of UHF RFID tags as the RFID tags that people will use. The seminars will not be conducted under any limitations, and will be open to everybody as usual. The details will be announced as soon as the dates are determined.

4. Trial schedule

	Detail	Place	Time
Trial field 1	Technological evaluation and verification of RFID-tag reading, etc.	ORF	November 22, Wednesday
Trial field 2	Operation trial of an entrance and exit control system based on RFID tags	ECOM seminars	January and February, 2007 *Two trials are scheduled.
		RFID tag regional seminars (Osaka, Hiroshima and Okinawa [according to the schedule])	Not determined yet

–Activity Report by the Long-Term Signature WG–

The Committee Meeting for the Preparation of the JIS Draft for Long-Term Signatures

Yoji Maeda, Research Director of the Long-Term Signature WG of EC Safety & Security Group of ECOM, reports on ECOM's activities for standardizing long-term signatures.

1. Background

With the enforcement of the e-Documents law and the trend toward a strengthening of the management of in-house documents, technological needs for the long-term storage of documents with electronic signatures have been increasing.

In the storage of documents with electronic signatures, it is necessary to store them in a way through which the validity of signatures can be confirmed, regardless of the period of storage, even after certificates used for signatures expire (for example, by making use of a format for the long-term storage of documents with electronic signatures).

Because a profile for the format for the long-term storage of documents with electronic signatures may be used for a long period of time, as long as 20 or 30 years, the following problems will occur if profile is not standardized and companies that have adopted different profiles freely compete with one another.

Once vendors start to provide services based on their proprietary profiles, unless they continue the services regardless of profitability, they will cause users a lot of problems, or they will suffer extensive damage, depending on contractual details.

On the other hand, users are worried whether services based on profiles in use will be continuously offered. It is highly possible that some companies may use profiles that are incompatible with users' profiles. In such cases, the cost for system construction and operation will increase because the users must be provided with a system that is able to respond to all kinds of profiles.

Therefore, we consider that the standardization of a profile for the format for the long-term storage of documents with electronic signatures is an urgent issue.

2. Process

Since 2000, ECOM has been engaged in activities related to long-term signatures and has formulated the following reports.

FY 2000: "Midterm Report for the Long-Term Storage of Documents with Electronic Signatures"

FY 2001: "Guidelines for the Long-Term Storage of Documents with Electronic Signatures"

FY 2002: "Survey Report on a Time Stamp Service," "Guidelines for the Use of a Time Stamp Service" and "Guidelines for the Operation of a Time Stamp Service"

FY 2003: "Survey Report on Signature Policy" and "Survey and Examination Report for the Long-Term Storage and Visual Readability of Electronic Documents"

FY 2004: "Guidelines for the Long-Term Storage and Visual Readability of Electronic Documents"

FY 2005: "Report on the Inter-Operability Test of Long-Term Digital Signature Format"

Through a series of activities, ECOM created a long-term digital signature profile (ECOM profile) and evaluated it.

- The WG of ECOM made preparations and issued a preliminary version in August 2005.
- The WG asked for public comments in September 2005, deliberated gathered comments and reflected the results in the profile.
- From October through December 2005, the WG launched a compatibility test project based on the profile and verified the validity of the profile.

Following these activities, the WG started JIS standardization activities in 2006.

The WG made a draft plan based on the ECOM profile. But, as for vague descriptions of quoted provisions (Cryptographic Message Syntax Advanced Electronic Signatures [CAAdES]), the group adopted an approach that would upgrade CAAdES instead of making unique interpretations.

In March, 2006, the WG established an informal liaison relation between ECOM and ETSI (European Telecommunications Standards Institute) that has been promoting the standardization of CAAdES, to eliminate backward incompatibility and provide coordination for the clarification of provisions, which at present can be interpreted in multiple ways.

3. Holding of a committee meeting

On Wednesday, November 15, 2006, the First Committee Meeting for Preparing a JIS Draft for Long-Term Signatures was held at a meeting room of ECOM.

The committee consisted of Professor Hidekazu Tsuji of Tokai University as chairman, Mr. Michihiro Kimura of NEC Corporation as organizer, fourteen members (five people on a neutral position, five manufacturers and four users) and Maeda from ECOM as Secretariat.

They actively discussed the definition of terms and other similar issues based on materials prepared by Standardization Promotion SWG of Long-Term Storage WG.

The members will make further discussions toward the preparation of a draft within this year.



4. Future schedule

In 2007, the WG will continue activities toward JIS standardization and will conduct a domestic inter-company plug test around March on the long-term digital signature format profile based on the JIS draft for long-term signatures.

The WG will also coordinate the long-term digital signature format profile and test methods with ETSI. In cooperation with ETSI as a contact point, a plug test between European companies and Japanese companies is carried out this fall.

At the beginning of December, the WG will start to recruit companies participating in the series of plug tests.

Related parties all over the world have just started to examine the long-term digital signature format profile. Taking this opportunity, we are planning to use this opportunity and implement international standardization activities. If our proposal is admitted as an international standard, we will be able to enjoy a lot of advantages, such as the procurement of all kinds of documentary evidence concerning the results of quality tests, etc. in electronic media with long-term signatures when importing overseas products.

—Activity Report by the IT Utilization WG—
**Outline of Surveys on Effectiveness Measurement Indexes
in Relation to the Introduction of Electronic Commerce (EC)
Both in Japan and the U.S.A.**

The IT Utilization WG of IT Utilization Group is planning to prepare a model for evaluating the effects of introducing EC with a focus on BtoB. To help this project, the WG will conduct surveys for gathering basic information in cooperation with Accenture Japan Ltd.

Ryoji Yamada and Yasuji Mori, Research Directors of the WG, offer a report that is mainly focused on the outline of the surveys.

*This activity is sponsored by *keirin* (bicycle racing).

1. Background and purpose

According to the “2005 e-Commerce Market Survey” released by the Ministry of Economy, Trade and Industry, the market size of BtoB EC in Japan is 140-trillion yen in narrow terms, while it is 224-trillion yen in broad terms(*). If these figures are converted into EC progress ratios (EC ratios), the EC ratio in narrow terms is 12.9% and in broad terms is 20.6%. It means that Japan has exceeded the U.S.A. both in terms of market size and EC ratio. However, many Japanese companies have not yet conducted objective effectiveness measurements and management of EC introduction based on evaluation indexes, as part of their business management.

This year, under these circumstances, the IT Utilization WG is planning to “systematically organize indexes for evaluating the introduction effects of EC with a focus on BtoB, and prepare an evaluation model.” Purposes of these surveys are to collect basic information for this plan by studying case examples both in Japan and the U.S.A., identifying relations between the effects and the efforts toward the dissemination of EC, and organizing the indexes used for the measurement of effectiveness and other information, in cooperation with an external specialist research company.

*EC - EC in narrow terms: Internet commerce.

- EC in broad terms: Including commerce through computer networks, such as VAN and leased lines, as well as EC in narrow terms.

2. Activities by the IT Utilization WG

(1) Progress Situation

The WG has already held four meetings. At the meetings, invited lecturers who made presentations and participated in discussions with WG member companies on IT investment appraisal methods, SCM project planning based on BSC (Balanced Scorecard), indexes for introducing the Rosetta Net system. The WG member companies also presented case examples of EC introduction and evaluation, and exchanged opinions.

(2) Future Development

Based on the above-mentioned presentations, discussions, organization of presented cases and the survey results (mentioned below), the WG will deepen discussions, systematically organize evaluation indexes and prepare an evaluation model by the end of this fiscal year. From next year, the WG will verify and improve the effectiveness of the evaluation model by means such as questionnaire surveys.

3. Survey contents

(1) Survey items

- | | |
|--------------------------------------------------------------|-----------------------------------------------------------------------|
| [1] Brief survey of EC case examples in Japan and the U.S.A. | [3] In-depth survey on EC case examples in the U.S.A. |
| [2] In-depth survey on EC case examples in Japan | [4] Analysis of the effects of EC introduction and evaluation indexes |

(2) Survey targets

Surveys are conducted on EC case examples both in Japan and the U.S.A. in relation to purchase (including MRO) and sales by manufacturers. Survey targets are manufacturers. Naturally relations with business partners including the e-marketplace, other similar related parties and processes are also studied. BtoB is the main area because manufacturers are major targets, but BtoC is also studied if necessary.

(3) Survey methods

The Brief Survey on EC Case Examples is conducted mainly based on released information, and the In-depth Surveys on EC Case Examples are conducted mainly based on interview surveys. In conducting the In-depth Surveys on EC Case Examples, companies that have accumulated the best practices are chosen as target companies by ECOM and Accenture.

(4) Verification by IT Utilization WG

The WG members receive periodical reports on the progress of the above-mentioned surveys. They confirm the contents of the surveys and deepen internal discussions on the systematic organization of evaluation indexes and models.

(5) Survey period

Until the end of February, 2007.

The e-Biz Expo 2006 in Korea Participation Report

At the end of October, 2006, the e-Biz Expo 2006, an exhibition and meeting in relation to e-business and RFID tags, was held in Seoul, Korea. Six members of ECOM in total, including Director Shoji Takedahara, Secretary-General Koichi Kataoka, and Research Directors, participated in the event to contribute to the further promotion of EC both in Japan and Korea. They demonstrated Japanese efforts for diffusing RFID tags including the Hibiki Project, and had contact and exchanged information with people related to EC/RFID. Kojun Matsumoto, Research Director of International Relations Group of ECOM, reports on the exhibition and lecture meeting at the e-Biz Expo 2006, and Kazuhiro Kawashima, Research Director of Public Relations Group, reports on the display booth of ECOM.

*This activity is partially sponsored by *keirin* (bicycle racing).

1. e-Business week: an exhibition and lecture meeting at the e-Biz Expo 2006

In Korea, the e-business week is hosted by the Ministry of Commerce, Industry and Energy every fall. This is the 11th year and many events are held during the e-business week.

For three days from Thursday, 26 October, to Saturday, 28 October, an exhibition named e-Biz Expo 2006 was held with displays related to IT/e-business. This year, 57 companies set up booths and approximately 20,000 people visited the site in three days. Following the previous year, ECOM ran a booth at the exhibition. All kinds of conferences were held in addition to the exhibition, and this year, three people delivered lectures on 26 October as opening keynote speeches for e-business week. As part of cooperation activities between Japan and Korea, ECOM has annually sent a lecturer to talk about EC trends in Japan. This year, Mr. Risaburo Nezu, Senior Managing Director of Fujitsu Research Institute, delivered a lecture.

Shoji Takedahara, ECOM Director, also attended the opening keynote lecture meeting as a guest and delivered a congratulatory speech for the holding and success of the e-business week. As keynote lecturers, Mr. Craig Baty, Vice President of Gartner, Inc. gave a talk under the title of "Digital Business Macrotrends—Emerging Sources of Advantage," and Mr. Chul Kim, Oracle Corporation, Korea, gave a talk under the title of "Global Enterprise's IT Trend and How Software Can Help." Finally, Mr. Nezu, Senior Managing Director, explained the current status of IT in Japan, the reality of Japan from the viewpoint of all kinds of IT indexes, market trends and other similar aspects, in a talk under the title of "Digital Revolution in Japan—How it Affected the Japanese Telecom and IT Industry," summarized future trends, and closed the lecture.



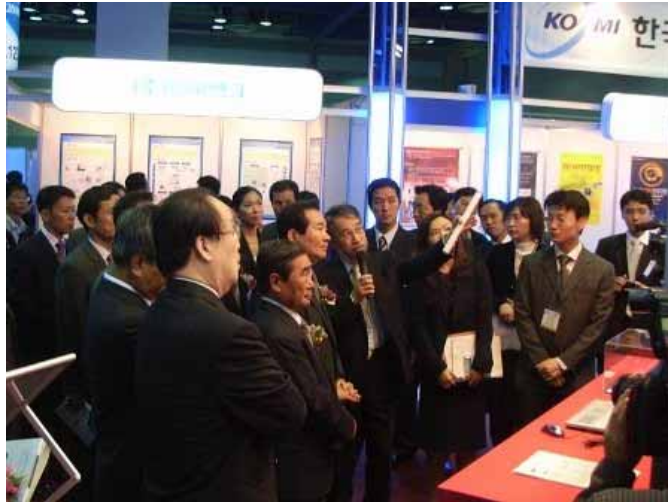
Shoji Takedahara, ECOM Director, delivering a congratulatory speech at the opening keynote lecture meeting



Mr. Risaburo Nezu, Senior Managing Director of Fujitsu Research Institute, delivering a keynote lecture

2. Display booth of ECOM

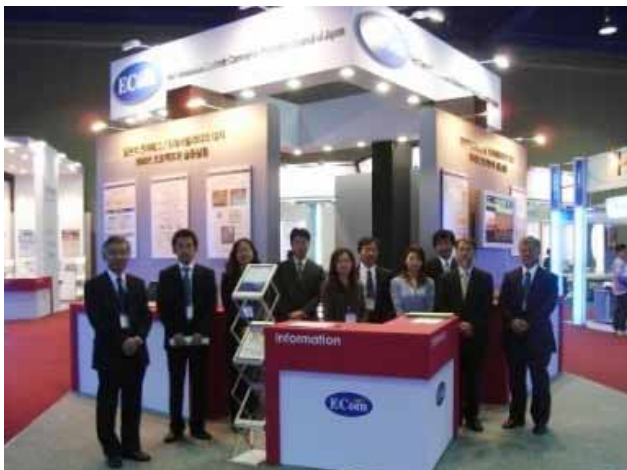
With support from KOEB (supervisor of the e-Biz Expo 2006) and under the title of "Efforts toward the Diffusion of RFID Tags in the Japanese Industry," ECOM displayed the results of the Hibiki Project (outline of the project, Hibiki tags and reader/writer devices, performance evaluation of Hibiki tags, miniaturization of tags, and devices) promoted by the Ministry of Economy, Trade and Industry of Japan and the results of those who participated in the RFID tag field trials (supply chain among Japan, China and Korea, electronic and electric industry, multimedia industry, and pharmaceutical industry) of the previous year. In cooperation with three attendants from Hitachi, Ltd., Dai Nippon Printing Co., Ltd. and Fujitsu Ltd., nine staff members including three members of International Relations Group and Public Relations Group of ECOM and three interpreters, were at the display booth.



Mr. Chung Sye Kyum, Minister of the Ministry of Commerce, Industry and Energy, Korea, and Koichi Kataoka, Secretary-General of ECOM (in the middle of the photo)

On the first day, Korean government officials including Mr. Chung Sye Kyum, Minister of the Ministry of Commerce, Industry and Energy, visited the display booth of ECOM, and received presentations from Koichi Kataoka, Secretary-General of ECOM, on the outline of the Hibiki Project and Hibiki tags (the third prototypes). On the next day, in an article on the e-Biz Expo 2006, a Korean electronic paper (issued on 27 October) reported that, "The booth of ECOM has received praise for being sophisticated and impressively organized in its presentation of the Hibiki RFID Project and field trials of Japan, along with the IT Innovation Network Pavilion, Officially Approved Electronic Documents Archive Booth and KIA Automobile Booth that had won the top prize of e-Business Grand Prix 2006."

Approximately 1,000 people in total visited the booth of ECOM in three days, and the staff members explained displays to approximately 450 visitors. The visitors expressed a lot of expectation for promoting the results of RFID field trials that were being implemented in Japan, not only this time but again in Korea, by saying that, "The use of RFID tags (UHF in particular) in the area of logistics was highly expected in Korea like in Japan," "The display was very helpful to understand the importance of information linkage in the area of pharmaceutical products," "They wanted to introduce process and inventory management based on RFID tags because they are planning to construct factories," as well as other similar comments.



The ECOM booth and its attendants

The staff members conducted a questionnaire survey on visitors to the booth of ECOM, with regard to the displayed contents and utilization of RFID tags. According to the results of the questionnaire survey (149 answers), 79% of the respondents said that the whole display including these pictures was "very good" or "good." As for each display, many of them showed interest in "efforts by Japan," "Hibiki tags and reader/writer devices" and "the multimedia industry," and chose "logistics" and "the electronic and electric industry" as interesting areas for RFID tag utilization. As for purposes of use, "inventory management (search and clearance)" and "information linkage (ID) and information provision" were raised by many respondents, and as for technologies that could benefit from the use of RFID tags, "reading distance, utilization environment, and price of tags" attracted attention of many people.

(We deeply thank the Ministry of Economy, Trade and Industry and people involved in the Hibiki Project and RFID field trials for their cooperation in this exhibition.)

Report of the Busan Meeting of the Japan-Korea EC Promotion Council

Kojun Matsumoto, Research Director of the International Relations Group, reports on the Busan Meeting of the Japan-Korea EC Promotion Council held in the middle of November, 2006.

*This activity is partially sponsored by *keirin* (bicycle racing).

From Wednesday, 15 November, through to Friday, 17 November, 2006, a meeting of the Japan-Korea EC Promotion Council was held in Busan, Korea, and participants actively exchanged opinions at a meeting for information exchange on technological trends and introductory cases in relation to RFID/traceability both in Japan and Korea.

On 15 November, the 3rd Japan-Korea RFID/Traceability Information Exchange Meeting was held. This meeting started this year as a quarterly meeting and as a cooperative activity for further development and diffusion of RFID business both in Japan and Korea.

In the past, reports were made and information was exchanged according to the following schedule and themes.

The first meeting: June 2006 Held in Seoul, Korea

- Korea
 1. RFID industry and policy trend in Korea
 2. RFID standardization trends and problems
 3. RFID system construction business in the automobile industry
- Japan
 1. Results of field trials for FY 2005 by the Ministry of Economy, Trade and Industry
 2. Protection of privacy as a means of securing the dissemination of RFID tags

The second meeting: September 2006 Held in Tokyo, Japan

- Japan
 1. Ministry of Economy, Trade and Industry: outline of the information policy for FY 2006
 2. Outline of RFID tag field trials for FY 2006 by the Ministry of Economy, Trade and Industry
- Korea
 1. Ministry of Commerce, Industry and Energy: outline of IT innovation network construction business
 2. Presentation of RFID model cases(in the areas of food products and medical services)



At the information exchange meeting, presentations were made, three by Japanese participants and two by Korean participants. During the meeting, opinions were exchanged mainly on introductory cases. From Japan, Mr. Keita Mizushima, Development Business Group of Panasonic System Solutions Engineering Co., Ltd. reported on the introduction of RFID into a receipt and shipping management system of repair parts. Mr. Takashi Yoshizawa, General Manager of Radio Frequency Identification & Security Solution Center of Hitachi Co., Ltd. reported on an RFID-based traceability system for production sites. While finally, Mr. Tomoaki Kii, Senior Manager of Mizuho Information & Research Institute, Inc., who is also a member of Japan RFID Consortium for Consumer Electronics reported on an RFID tag utilization model that the consumer electronics industry aims to create and its operation guidelines. On the other hand, from Korea, Professor Choi Myung Ryul, Hanyang University, explained the current status of research and development in progress in a talk under the title of "Development of Korean-type u-SCM Platform and Applied Technology for Recognizing Radio Transmission." In addition, as an introductory case, Mr. Jae Hyuk Yang, Senior Managing Director of em Frontier, Inc. presented case examples in the tire manufacturing industry. After the presentations were made, detailed questions were asked and answered, and information was exchanged between Japanese and Korean experts.

At the end of the meeting, a consensus for future activities by Japanese and Korean parties was established. It was confirmed that the range of issues raised at the information exchange meeting would be expanded into new RFID-related technologies and that the meeting would be continued as a further developed contact organization, and the meeting was closed. The next information exchange meeting will be held in Tokyo at the end of February, 2007.

The consensus established at this meeting was announced at the Japan-Korea EC Policy Council, a meeting between the Ministry of Economy, Trade and Industry of Japan and the Ministry of Commerce, Industry and Energy of Korea, which was held on 16 November as part of a series of meetings, and was confirmed by both governments.

The Japan-Korea EC Law Expert Round Table, which was also held on 15 November, is to be held as a semiannual meeting starting from this year. At the second meeting of this year (following the first one in July), opinions were actively exchanged between Japanese and Korean experts. Since the initial meeting, it has been continuing as a meaningful exchange.

The next meeting of the Japan-Korea EC Promotion Council will be held in Japan at around November, 2007.

From the Secretary-General

▼On 7 November, the 3rd Planning Committee Meeting for FY 2006 was held at the Kao Arida Training Center of Kao Corporation (the Chairman company of ECOM) in Arida District, Wakayama Prefecture, to report and deliberate on the progress of activities for FY 2006. ▼This time, following the visit to the Sakai Logistics Center of Kao Logistics Co., Ltd. on 6 November, we were given an opportunity to visit the Wakayama Plant of Kao Corporation. It was very interesting to witness first hand the process of production and distribution of household products. I think that the participants also found the visit meaningful and satisfying. ▼I deeply thank all the people of Kao Corporation (the Wakayama Plant and the Sakai Logistics Center) for their hospitality. ▼Only one month remains of this year. Toward the end of the fiscal year, WGs will collate their activity results and the Secretariat will discuss specific activity plans for the next year and after with the Planning Committee and the Board of Directors. Your continued support would be most appreciated, and we are looking forward to hearing your opinions and requests for, among others, activity plans. (Kataoka)

