

Society 5.0

Japan's approach to digitalisation of economic growth -

Mitsubishi Electric Corporation Corporate Executive Government & External Relations Noritsugu UEMURA



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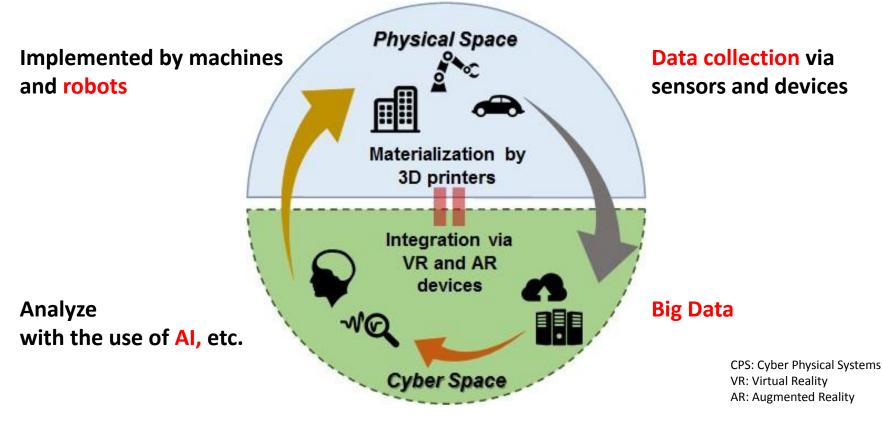
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1. TECHNOLOGICAL BACKGROUND

- Creation of new values through the fusion of cyber and physical space (CPS) as the basis for driving innovation and the rapid evolution of ICT
- Leveraging CPS the creation of value accelerated by AI and robots

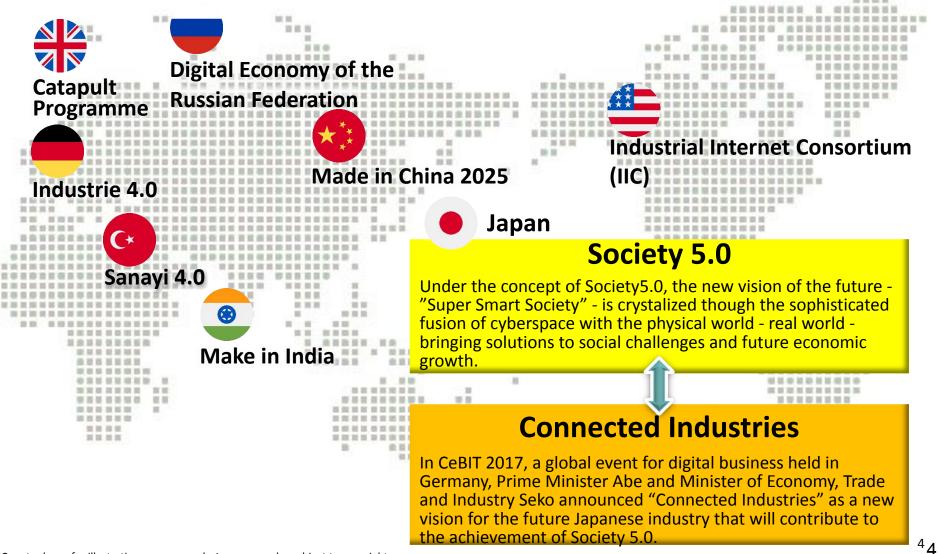




2. DIGITAL ECONOMY INITIATIVES 2-1 Global

Trends

Mitsubishi Electric is a Leading Company for promoting Society 5.0



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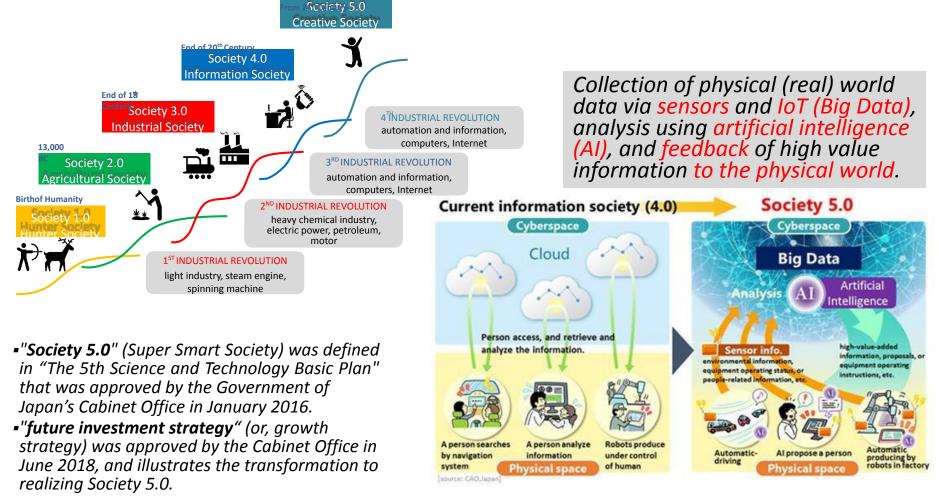
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2-2 Initiatives Towards Realizing Society 5.0

Society 5.0 is...

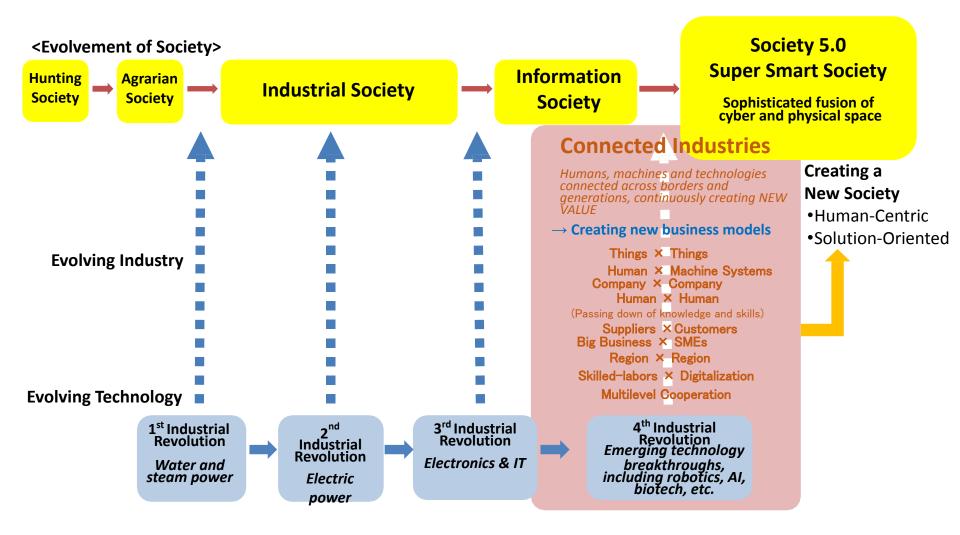
A human-centered society that combines economic development and solutions to social issues through high levels of integration of cyber and physical (real) space.



Source: Government of Japan, Cabinet Office, and Japan Business Federation (KEIDANREN) Images may be subject to copyright.

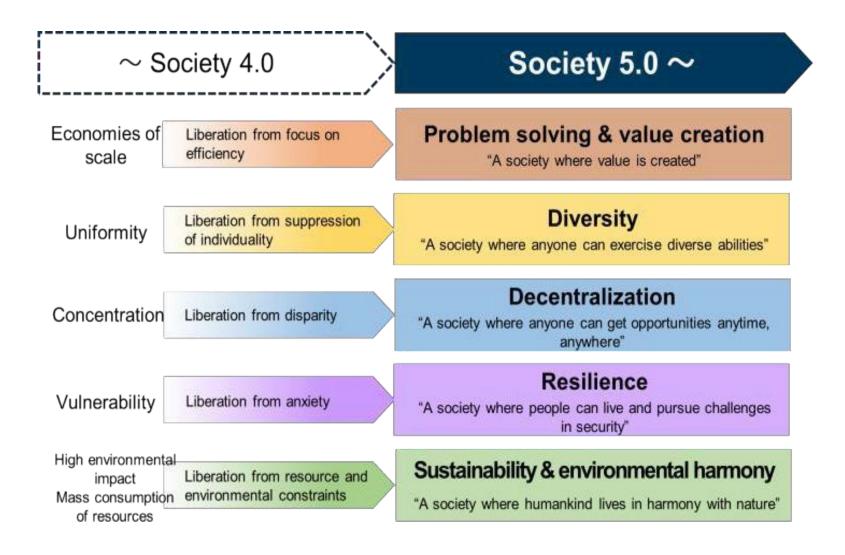


2-3 "Connected Industries" Leading to Society 5.0



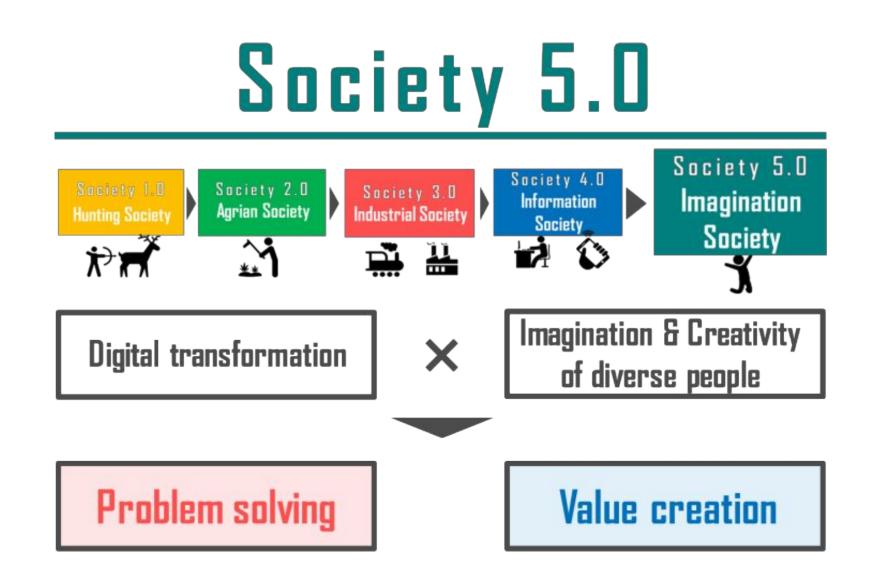


2-4 From Society 4.0 to Society 5.0





2-5 Society 5.0 "Imagination Society"





2-6 Society 5.0 Contributing to

Economic Growth & Resolution of Social Challenges

Economic advancement Resolution of social problems

- The demand for energy is increasing
- The demand for foodstuffs is increasing
- Lifespan is becoming longer, and the aging society is advancing
- International competition is becoming increasingly severe
- Concentration of wealth and regional inequality are growing

- Reduction of GHG emissions
- Increased production and reduced loss of foodstuffs
- Mitigation of costs associated with the aging society
- Promotion of sustainable industrialization
- Redistribution of wealth, and correction of regional inequality

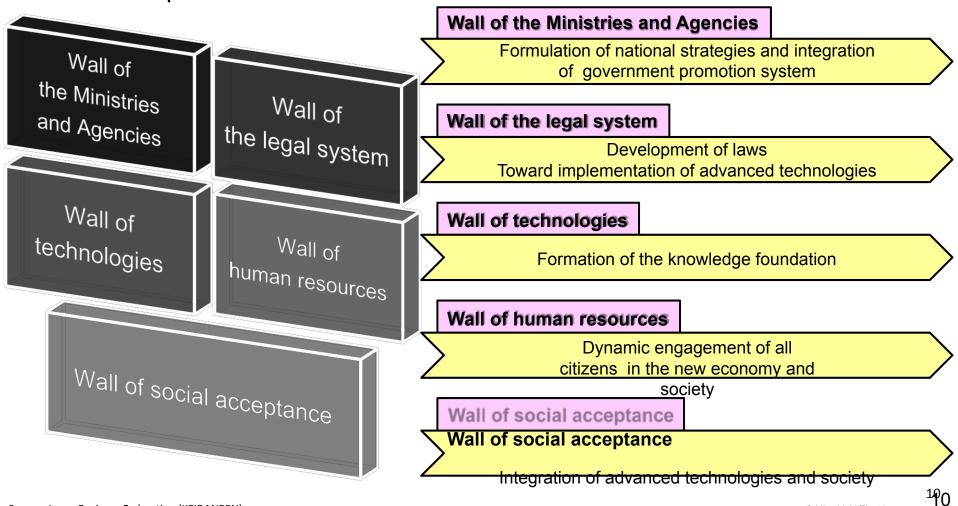
Incorporation new technologies such as IoT, robotics, AI, and big data in all industries and social activities, provide goods and services that granularly address manifold latent needs without disparity

to balance economic advancement with the resolution of social problems



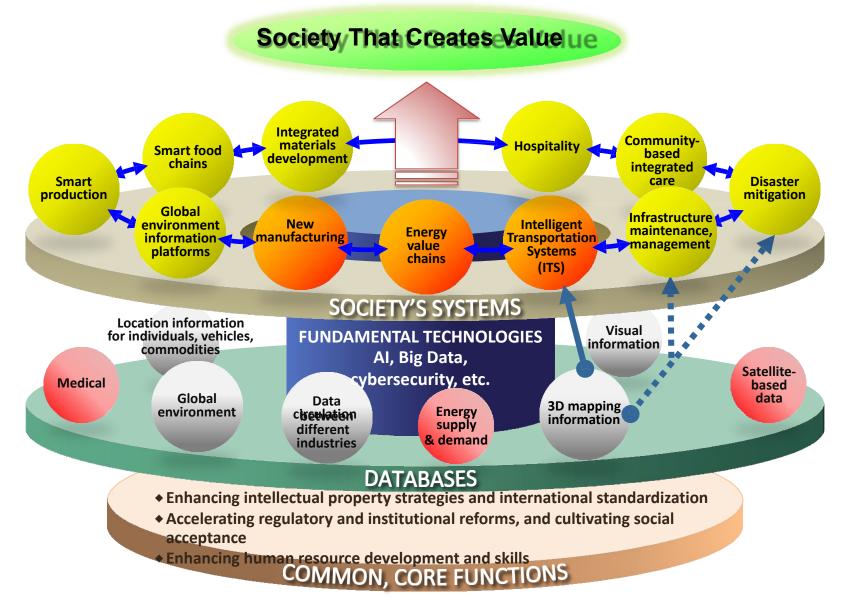
2-7 Breakthrough of the "Five Walls"

It is imperative to break through the "five walls" to realize the new economy and society in which discontinuous and disruptive changes are expected to occur.





2-8 Society 5.0 Platform



Source: Government of Japan, Cabinet Office. Modified in part by Mitsubishi Electric.

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2-9 Mitsubishi Electric's Contributions to Society 5.0 for Achieving SDGs

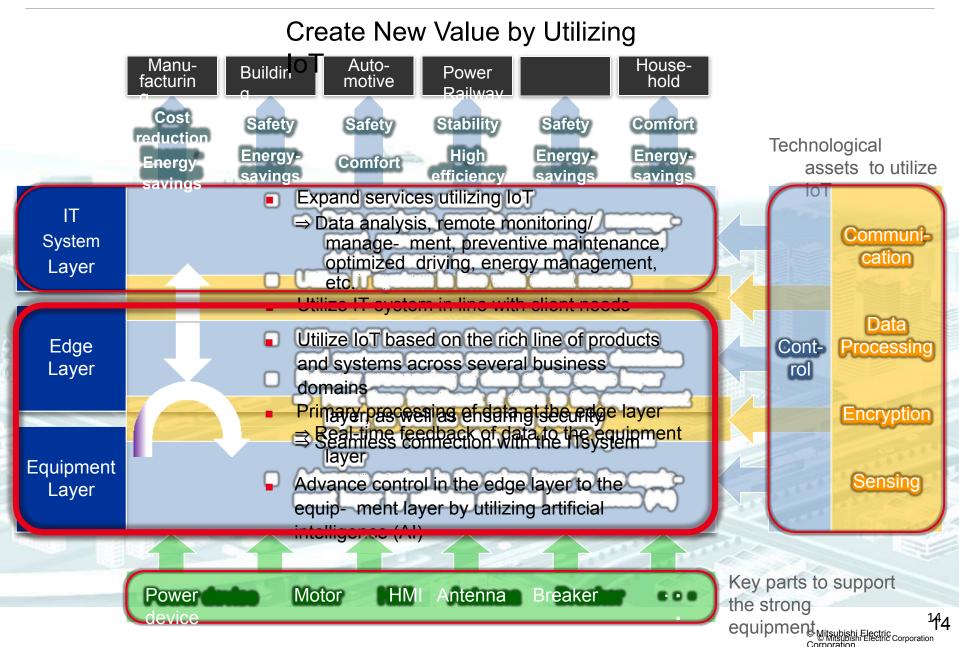




3. EXAMPLES OF MITSUBISHI ELECTRIC CONTRIBUTION TO SOCIETY 5.0



3-1 New Businesses and Services

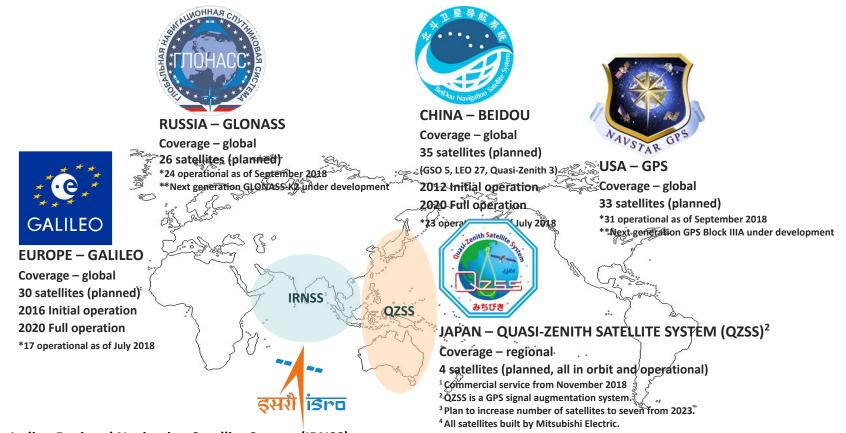




3-2 Autonomous Driving Technology 3-2a Positioning Satellites

•Positioning satellites provide positioning – or geolocation – information.

•As the third space-based infrastructure following communication and observation satellites, several "GPS" systems are currently deployed or under development by various countries.



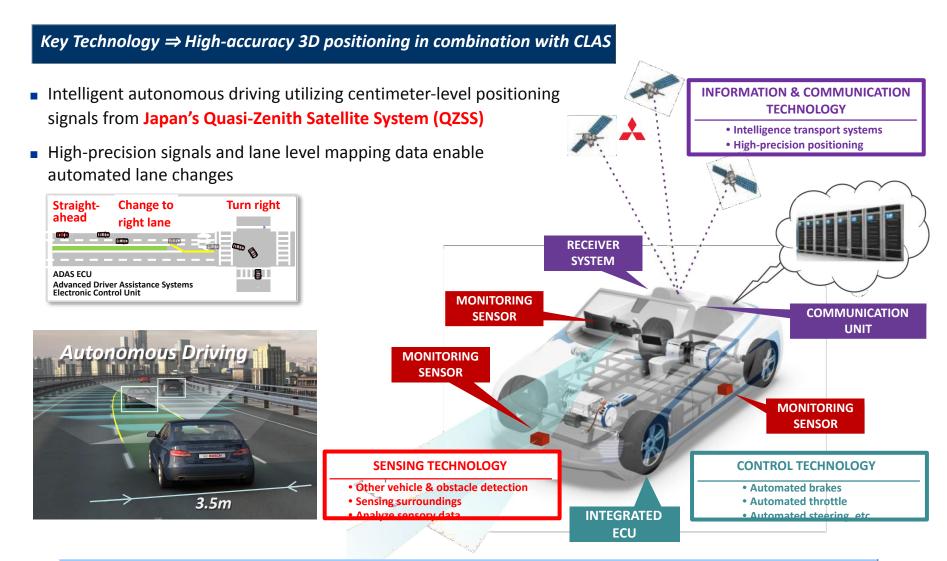
Coverage – regional

7 satellites (planned, all in orbit and operational)

2016 Full operation



3-2b CLAS <u>Centimeter-Level Augmentation Service</u>



*Mitsubishi Electric conducted highway tests of the world's first CLAS-based autonomous driving technology on September 19, 2017. *CLAS became commercially available on November 1, 2018.

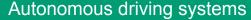


3-2c Leveraging a Wide Spectrum of Technologies

Value Creation through Initiatives for Automated Driving

Contribute to realizing a safe and comfortable automated driving society from

both "autonomous driving systems" and "vehicle-infrastructure cooperative

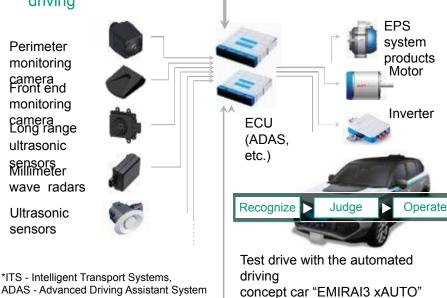


Combination of

sensing technology and vehicle control technology A system which enables autonomous automated driving by automobile mounting devices such as those for control, Burryaillance, and out-of-vehicle information

- utilizetion gnize and judge the surrounding environment **bf**e automobile and anticipating movements through bightity surveillance sensors and sensor
- fusious high precision vehicle movement tearthrology, realize safe and comfortable automated driving

Perimeter monitoring camera Front end monitoring camera Long range ultrasonic sensors Millimeter wave radars Ultrasonic sensors



Vehicle-infrastructure cooperative systems

Utilizing information infrastructure such

as guasi-zenith satellites and ITS

A system which utilizes information from outside the vehicle, such as satellites, through out-of-vehicle information utilization devices

- Position the vehicle with centimeter-precision utilizing high definition map creation technology and high Quasi-zenith **EFISIPU**gy satellites

High-precision locator

Positioning information at the centimeter level Positioning performance adaptive to moving obiects

Ground systems for quasi-zenith satellites

- Pottistablished obtaiand in Map mandrizene of economic
- Development collaboration with u-blox Switzerland eventuation service" (promote expanded use of **sateslite**enith
- Development to mapping technology and extraction of teahsiplasy
 - ⇒ Efficiently create and update high precision 3D maps (utilize AI and MMS

Obtaining real-time information on the road tonoditibnoad-vehicle and inter-vehicle linked

communication C2X

onboard

equipment



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3-2d 3-D Mapping - Automated mapping, analysis, functions -

Automated mapping/extraction of transitionsfor high-precision 3D maps (under development)

Utilize AI and MMS technology to automatically produce and refresh high-precision 3D maps. *MMS: Mobile Mapping System





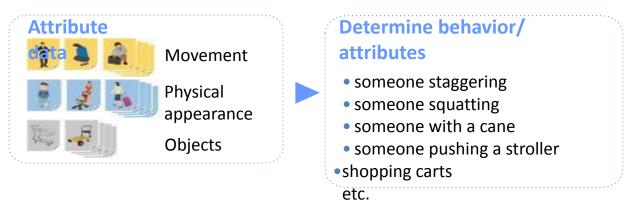
3D space positioning data by MMS

High-precision 3D map

Automated analysis of camera images

Improve security and disaster prevention for public facilities, buildings, commercial facilities. Provide appropriate services via attribute determination using images.

- Analyze image data taken by cameras with AI
- Sort out characteristics that were derived and determine the attribute of people/ objects



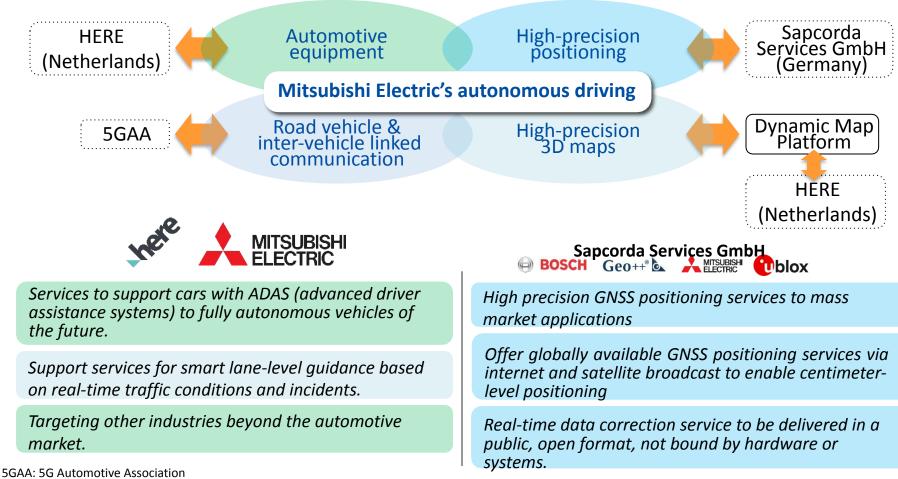


3-2d Autonomous Driving - Technology Partnerships -

Mitsubishi Electric's autonomous driving technologies and major business development partnerships

Strengthening competitiveness, global expansion, and standardization through cooperation with partners

in Japan and across the globe.



Sapcorda Services GmbH: joint venture established by Mitsubishi Electric, Bosch, Geo++, and u-blox (August 2017) Logos may be subject to copyright.



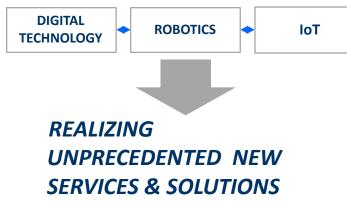
CHALLENGES TO BE TACKLED

•Shortage of human resources in manufacturing

•Changeover from the sale of goods to services & solutions

AIMING FOR A SOCIETY IN WHICH.

Data links between in-house and machines at other factories optimize productivity and supply chains, help attain greater levels of safety, and foster the creation of new and innovative products and services



PRIVATE SECTOR APPROACHES

•Exemplifying data linkage between companies

Edgecross FIELD

Established in May 2018
150+ partner companies
Real-time data collection & management across factories & industrial PCs for production site modeling & monitoring



stem

- Domestic service started in October 2017
- Proven operation
- 400+ partner companies
- Real-time data analysis and control on the 'edge computing side' by connecting machines across production sites

FANUC

Quazi-Zenith Satellite

as producers, and

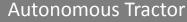
System ("Michibiki") signals used for tractor navigation • Greatly improved efficiency

of upstream industries such

downstream industries such

as distributors and retailers

DATA LINK IN ACTION

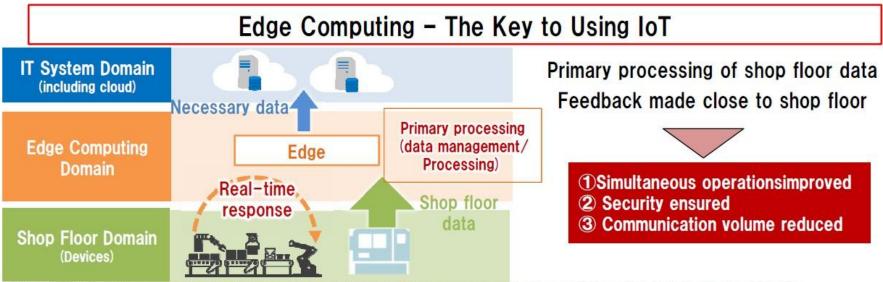




Autonomous tractor Source: University of Hokkaido



3-4 Smart Manufacturing



Reference: Ministry of Economy, Trade and Industry/Commerce and Information Policy Bureau/Information Economy Subcommittee/Industrial Structure Council's "Working Group on Distribution Strategy (First Session)"

Open Software Platform for Edge Computing Domain

🞽 EDGECROSS

Edgecross is an open software platform for the edge computing domain, which originated in Japan. It was created by Edgecross Consortium members, who interact outside the boundaries of corporations and industries with the aim of achieving FA-IT collaboration.



- Operates on any industrial-use computer regardless of manufacturer
- All data on shop floor collected
- Real-time diagnosis and feedback

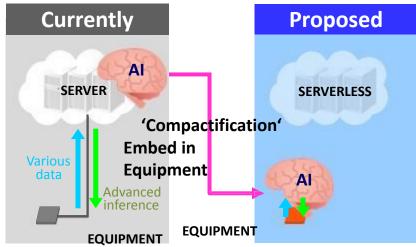
Source: Edgecross Consortium

- Modeling shop floor
- Seamless connectivity between FA and IT systems
- Utilizing wide variety of applications in the edge computing domain



3-5 Embedded AI

Embed AI into Equipment



Create efficient network structures and calculating methods for inference processing

Develop an algorithm for new machine learning, and reduce the amount of calculation and memory volume for AI learning and inference processing.

*Inference processing: a process of identification, recognition and forecasting of unknown matters by utilizing knownmatters.

'Compactification' of Al

Achieve the learning process in embedded equipment, a process previously accomplished on the server (IT system layer)

Reduce the amount of calculation and memory volume (up to 1/30 of current volume) by combining "high-speed training algorithm for deep-learning" (compared to current capabilities)



3-6 Smart Agriculture

- Strengthening farming competitiveness -

•In Japan, utmost efforts are under way to reform entire agricultural sectors – such as farmland consolidation being undertaken by the Farmland Intermediary Management Institution – as well as reducing the cost of agricultural materials.

•AI and robotics are also emerging that will allow conventional, yet precise, agricultural techniques to take place that work in union with farmers' know-how and experience.

•Vital to accelerate "smart agriculture" for the sake of agricultural reform in fusion with advanced technologies.

SMART

NEW, AUTONOMOUS AGRICULTURE MACHINERY FOR ENERGY SAVINGS AND EFFICIENT PRODUCTION WITH THE USE OF ROBOTICS AND ICT



Using drones for sensing and precise management of paddy field and crops.
Precision fertilizer application contributes to high-value added, branded produce with better flavor.



LARGE SCALE, CONSOLIDATED FARMLAND



Hyper-energy savings achieved by unprecedented large scale farmland management

CREATING A MOTIVATED FARMING WORKFORCE



Facilitate farm skill education and new, young human resources

HIGH-QUALITY PRODUCTS THAT BRING COMPETITIVENESS TO THE GLOBAL MARKET



Disseminate world-famous Japan brands with stable production of high-quality agricultural products

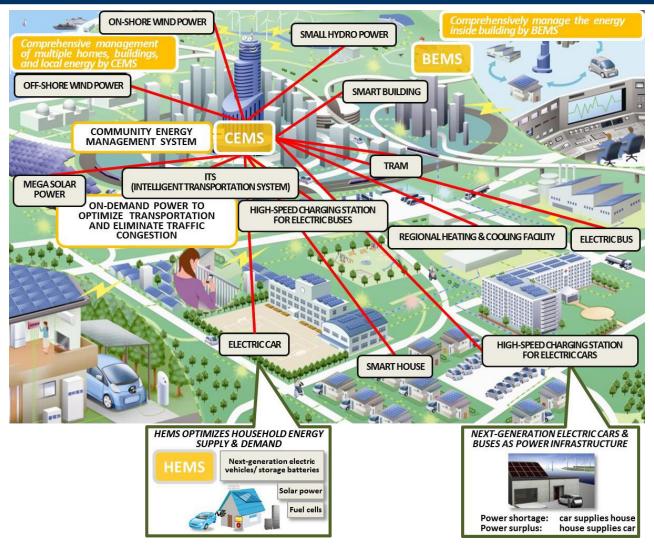
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3-7a Smart Community

- The Big Picture -

New social concept of comprehensive energy supply and demand management, and optimized energy consumption, within communities with decentralized energy systems such as renewable energy, co-generation systems, IoT, and storage battery control.



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3-7b ZEB Technologies

Mitsubishi Electric aims to realize net **Test**E **Facility**ings (ZEB) that generate all necessary primary energy to enable independent operation. Furthermore, Mitsubishi Electric will accelerate technology development and tests based on our original *ZEB+** concept to create further added value.



*ZEB+ is a registered trademark of Mitsubishi Electric Corporation.

In addition to ZEB, ZEB+ aims to create added value in efficiency, ease of use, and comfort to offer a sustainable building solution and services that cater to the life cycle of buildings

Location: 5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture (inside Mitsubishi Electric's Information Technology R&D Floor Space & Structure: Center) Office floor space: approx. 2,000m²; Facility area: approx. 6,000m²; Steel-framed building featuring four floors



Advancing net Zero Energy Buildings (ZEB) to reduce greenhouse gas emissions

- ZEBs are buildings with zero or close to zero *annual primary energy consumption* via energy-saving methods such as:
 - Effective thermal insulation
 - Solar radiation screening
 - Use of natural energy, such as solar power
 - ✔ High-efficiency devices
- As the electronics industry's first ZEB Planner*, Mitsubishi Electric supplied equipment and systems for Shirasagi



Shirasagi Denki Kogyo New Head

*Registration system established by Japan's Ministry office my, Trade and Industry(METI) in FY2017 to promoteZEBs

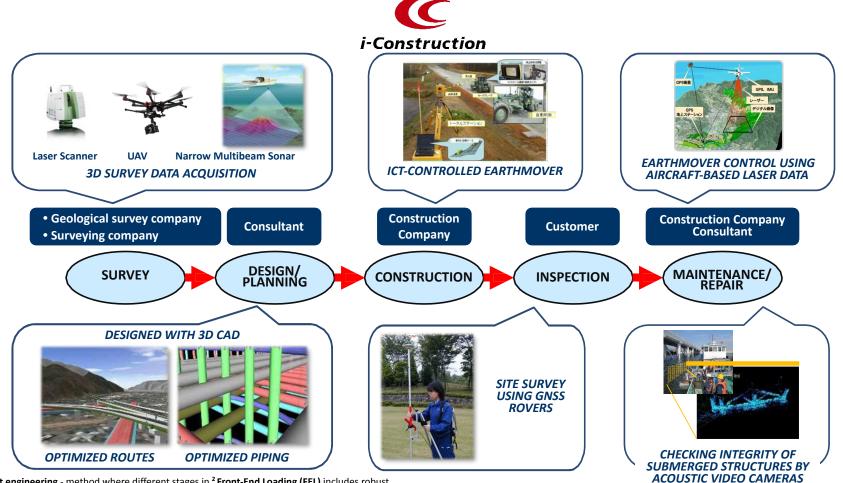




3-8 i-Construction

- Transforming work sites into technology forefronts -

•i-Construction* = ICT-integrated construction *Trademark of Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
 •Leverage 3D data at all stages of construction: surveying, building, maintenance, and repair
 •Accelerate the use of new technologies by introducing concurrent engineering¹ and front-end



¹Concurrent engineering - method where different stages in ² Front-End Loading (FEL) includes robust product design and development are done simultaneously, planning and design early in a project's lifecycle rather than consecutively, to reduce development time and (i.e., the *front end* of a project). [Wikipedia] costs. [Wikipedia]

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4-1. e-F@ctory SOLUTIONS IN RUSSIA Russian Railways (1/2)

CHALLENGES

- Wagon maintenance facility at Magnitogorsk
- Extraordinary distances and the most extreme conditions on the globe result in enormous stress on components
- Need for complex tasking and scheduling for parts testing, quality data acquisition, and overhaul





4-2. e-F@ctory SOLUTIONS IN RUSSIA Russian Railways (2/2)

e-F@ctory Solutions

RFID-based traceability throughout processes

Shop floor NC machinery and handling machines connected directly to IT MES layer

 Simplified configuration reduces time dedicated to engineering







5. INNOPROM 2017

Second Time to Participate in INNOPROM

- Booth showcased MER's existing businesses such as factory automation, air-conditioning & refrigeration, and visual information systems, that contribute to Society 5.0
- With Japan a Partner Country in 2017, MER also displayed businesses with which it aims to enter the Russian market in the medium- and long-term in sectors such as transportation, power, among others





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4. TOWARD CONSTRUCTION OF AN INNOVATION ECOSYSTEM

- One of the keywords toward Society 5.0 is "diversity".
- Construction of innovation ecosystem comprising diversified players is essential for Society 5.0.

Surviving Paradigm-shift optimization

Creating Society 5.0, which realizes social-wide

Need for "Innovation Ecosystem" comprising various social players

 Cooperation with motivated and competent universities/R&D agencies

Major Companies

Complement Cooperation

Startups

- Pursuit of harmonized benefit with competitors
- Strategic mix of "competition" and "harmony"
- Cooperation with different industries

Universities R&D Agencies







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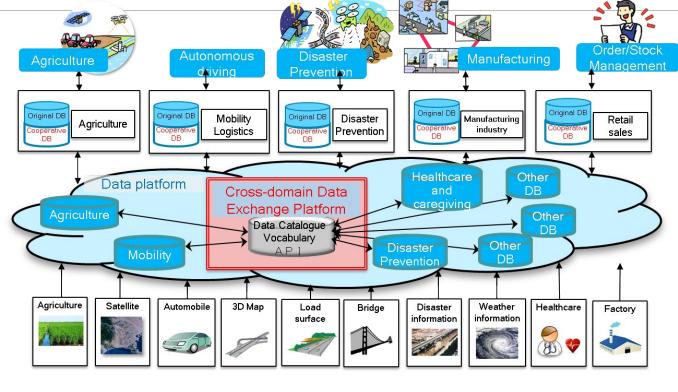
APPENDIX

Data from Japanese Government Cabinet Office

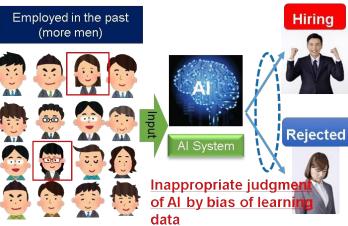


S 5.0 Data Platform

Establishment of "<u>Cross Domain Data</u> <u>Exchange Platform</u>" that enables all data to be used safely and at an AI level.



Improper judgment by past data





Example of misreading a STOP sign as <u>the speed limit sign</u> by attaching tapes of characters

In order to implement safe and reliable social packaging of AI, <u>Trusted data</u> is required to ensure trustworthy AI products and services. SPEED LIMIT

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Society 5.0

-<u>Smart City = Place for advanced implementation of Society 5.0</u>

Leading Organizations

- CSTI: Research and development in SIP
 - Building inter/intra-field data cooperation infrastructure
 - STI project in Tokyo Olympic and Paralympic Games
- Growth Strategy Council: Proposal of Smart City vision for growth strategy
- Office for Promotion of Regional Revitalization: Proposal of Super City vision

Ministry	Project	Summary	City
MLIT	Smart City substantiative research / Smart City support project (2019)	Improvement of citizen's life, city activity, and efficiency of infrastructure management	Sapporo, Toshima
MIC	ICT-based city development project / Data-based Smart City project	Support of city development with ICT	Sapporo, Kakogawa, Takamatsu, Aizuwakamatsu
METI	Smart community verification project / Grant for smart community vision	Management of distributed energy system with IT and battery technology	Yokohama, Toyota, Keihanna, Kitakyusyu

Business community

- COCN: "Development of Digital Smart City" project
- Japan Business Federation: Society 5.0 action plan, consultation with MLIT Minister (2018/11)

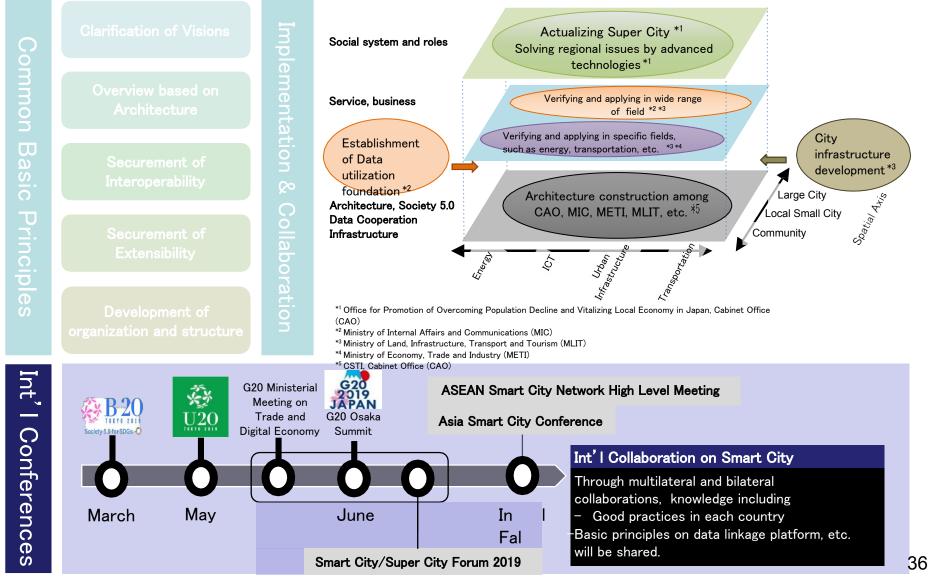
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Promotion of Smart City

(adopted at the 'Integrated Innovation Strategy Promotion Council' on March 29)

Common Basic Principles, Strengthen the global Smart City collaboration



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Smart City	=	= The answer for achievement of			SDGs	
(Including Megalopolis, City, Region)	in	in Digital era				
SDGs	×	Digitalization		Society 5.0		
Society 5.0	×	Realization	=	Smart City		
Smart City	×	Global Inclusiveness	=	Global Smart City	Coalition	

G20 economies must call for establishment of Global Smart City Coalition



MELCO's contribution to Society 5.0 Satellite Solution [Intelligent Transportation]

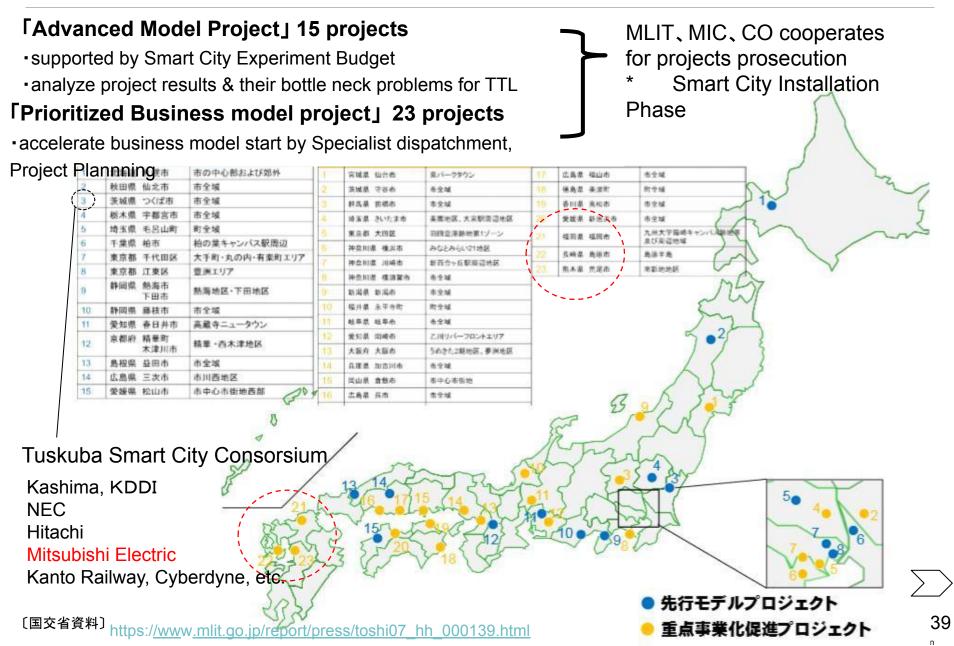
cm Level High-precision positioning Data Utilization

Cm level High-precision positioning Data could create Innovative Services & New Industries for Smart City InstallationAuto(Autonomous Driving • Safety driving support)/Railway(Ope. Control) /Farming Machine(IT Farm) /Construction Machine(i-construction)/Tourism • Personal Services



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