

business domestic

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Disaster spurs more firms to embrace telecommuting

KYODO

Major companies are developing programs to let employees work from home so they can raise productivity, meet family needs and cut greenhouse gas emissions linked to commuting.

The March earthquake and tsunami has provided a powerful incentive for adopting telecommuting after throwing wide swaths of the country into chaos. Telecommuting would allow more employees to work from home via the Internet.

On the day of the 9.0-magnitude tremor, almost all trains in the Tokyo area and the Tohoku region came to a complete halt, forcing huge numbers of commuters to walk home or spend the night in their workplace.

Then the disaster at the Fukushima No. 1 nuclear plant and

subsequent suspension of other nuclear power facilities forced companies to take steps to save energy amid the greatly reduced electricity supply.

Against this background, Teijin Ltd., a maker of a wide array of products ranging from clothing fibers to electronics and industrial materials, plans to allow some 2,000 employees working in areas served by Tokyo Electric Power Co. to telecommute by linking their homes with its offices via an online network.

"We've decided to take precautionary measures because it would be too late to act after another disaster strikes," a Teijin official said.

This summer NTT Corp. began having its employees work at home either in the morning or the afternoon. Because workers on each floor of its offices take turns to stay at home to work, lighting can

be switched off on an entire floor. "The new work schedule has helped save energy to a certain extent," an NTT public relations officer said.

Hitachi Ltd., which previously let some employees work from home, will make it possible for all workers to do so, while Internet conglomerate Softbank Corp. has introduced a similar plan for its marketing staff. Electronics firm NEC Corp. has also introduced telecommuting.

But many corporations are concerned about security breaches due to the flow of data between their offices and workers' homes.

Some tech firms are capitalizing on this risk, however.

NEC is pitching its "thin client" online system, which leaves no vital data inside personal computers. Their computers do not have hard disks so all data are stored in

the server at the company's office.

NEC said it has received some 1,000 inquiries about the system from potential customers since the March disaster.

Many employers began letting their employees telecommute in the 2000s to allow them to care for aged relatives or raise children. The government is also promoting the trend so workers can achieve a better work-life balance and their employers can hold on to talented workers they might lose in the absence of such flexibility.

Particularly in 2009 when the new strain of the influenza subtype H1N1 was spreading, the idea of telecommuting drew public attention as a way to safeguard against the epidemic. The Internal Affairs and Communications Ministry has mapped out a plan to double the number of telecommuters, to 7 million, by 2015.



Road warrior no more: A woman works from her home using the online telecommuting system developed by NEC Corp. Many companies have started developing such systems after the March 11 quake and tsunami. KYODO

IN BRIEF

Takenaka bank licensing role hit

JUI

Former financial services minister Heizo Takenaka may be held legally responsible for giving a banking license to the failed Incubator Bank of Japan, the current financial services minister hinted Tuesday.

A panel of experts has said in a report that it was inappropriate for the Financial Services Agency to grant the license to the bank, which went under last September.

Shozaburo Jimi told reporters Tuesday he hopes to improve financial oversight by seriously taking suggestions and criticism about the past supervision, adding that Takenaka bears heavy responsibility.

Takenaka had close ties with Takeshi Kimura, who was in charge of the bank's management from its founding, and appointed him as an adviser to the FSA.

The report pointed out that it is suspected that such relations prompted the agency to shorten its preliminary screening period and avoid examining essential issues, including the bank's financial base.

Softbank looks to raise ¥200 billion

BLOOMBERG

Softbank Corp. plans to raise ¥200 billion selling shares of a subsidiary to help finance its acquisition of Vodafone Group PLC's Japan unit.

SFJ Capital Ltd., a Cayman Island unit of Softbank, will set terms next month for the sale of the preferred stock, which will be offered to individuals and investors in Japan, Softbank spokesman Takeaki Nukii said Monday.

Softbank said the proceeds from the planned sale will help pay for its \$5 billion acquisition of financial instruments from Vodafone. The sale will have a minor impact on Softbank's earnings, the company said. Softbank is Japan's third-largest mobile-phone company.

NEC to study home use of tablets

KYODO

NEC Corp. said Tuesday it will start a feasibility study jointly with a cable television company into whether to provide new services as part of efforts to promote household use of its tablet computers.

Under the study planned for three months from September, 200 subscribers of Tokyo Cable Network Inc. will use NEC's Android-based tablet computer LifeTouch, which will work as a TV remote control, it said.

Mitsui in Brunei fertilizer deal

JUI

Mitsui & Co. and Mitsui Chemicals Inc. are planning to launch a large-scale joint business to manufacture and sell fertilizer materials in Brunei with a state-run oil company, sources said Tuesday.

Total costs for the project are estimated at \$3 billion. Mitsui Chemicals will provide production technologies while Mitsui will be in charge of marketing products made in the joint project, the sources said.

NOTEBOOK

GIVEAWAY

Buddhist figurines

The Japan Times and Morita Inc. are giving three readers a chance to win a Buddhist statue from a new series of high-quality, small-size figurines, the retail price of which is ¥19,950 including tax.

The new series, called Tana-Cocoro, will be released Sept. 1 by Isumu, a Morita brand that makes reproductions of Buddhist figures.

The series was created after customers provided feedback, saying the size of conventional Buddhist figures were too big to place in their home. The new figures fit in one's palm.

The first three figures of the series were selected from temples in Nara: the Miroku Bosatsu (Maitreya Bodhisattva) from Chuguiji, Ashura (Asura) from Kofukuji and Basara (Vajra), one of the Twelve Heavenly Generals, from Shin-Yakushiji.

To qualify for the drawing, please send a postcard with your name, age, address, telephone number and occupation



to The Japan Times Notebook, c/o Morita Inc., 2123 Higashidaira, Higashimatsuyama City, Saitama, Japan 355-0002. Entries must be postmarked by Sept. 7.

For more information on the series, visit www.isumu.jp.

EVENTS

Koyasan Café in Tokyo

From Sept. 1 to 11, the Koyasan Café event returns to Marunouchi House, the seventh-floor restaurant and entertainment space in the Shin-Marunouchi Building near Tokyo Station.

The event combines Buddhism-inspired cuisine with workshops conducted by priests from Koyasan, or Mount Koya,

Toyota leads fall in carmakers' July production

BLOOMBERG, AP

Toyota Motor Corp. said its global output fell 6.1 percent in July, leading production declines at the nation's automakers after the March 11 catastrophe caused widespread disruptions in their operations.

Toyota's global production declined to 594,614 vehicles, while domestic output dropped 12.5 percent to 262,328, the company said in a statement released Tuesday.

Nissan Motor Co. built 388,680 vehicles worldwide in July, a gain of 17.6 percent from a year earlier.

Carmakers are hiring temporary workers to make up for lost production after the record earthquake and tsunami caused shortages of parts and electricity.

Toyota said in July it could return to unrestricted production of all models in late October. Its global production in June fell 9.2 percent to 593,839 units.

Manufacturers still face possible blackouts this summer after the Fukushima No. 1 nuclear plant was crippled by the March quake and tsunami and other reactors in the country were halted for inspections and maintenance.

To avert outages, carmakers have closed domestic plants on Thursdays and Fridays and instead operated on weekends starting in July. The shift runs into September.

Honda Motor Co. said its global production fell 34.4 percent from a year earlier to 206,727 vehicles in June.

The results underscore ongoing malaise in the automotive industry as it grapples with the surging strength of the yen, a precarious global economy and recovery from the March 11 twin disasters.

Jobless rate up for second month in July

KYODO, BLOOMBERG

The unemployment rate rose to 4.7 percent in July from 4.6 percent in June for the second straight month of deterioration amid the continuing aftermath of the March quake and tsunami, the government said Tuesday.

The number of jobless stood at 2.92 million, down 230,000 from a year earlier for the 14th consecutive month, the Internal Affairs and Communications Ministry said in a preliminary report.

The jobless rate excludes data from the three prefectures hit hardest by the March disaster — Iwate, Miyagi and Fukushima — because of difficulty conducting the survey there.

The number of employed came to 59.73 million, down

200,000 from July 2010 for the first year-on-year decline in four months. It represented a decrease from 60.02 million in June.

Separate government data showed job availability improved, with the ratio of job offers to seekers rising to 0.64 in July from 0.63 in June. This means 64 jobs were available for every 100 people looking for work.

The export-driven economy has also been hit hard by the soaring yen. Deploying tools from the Bank of Japan's monetary stimulus to a government-formed emergency loan program, authorities are seeking to counter the effect of an advancing currency that's threatening to dampen growth.

Two quake-relief packages worth ¥6 trillion won't be

enough to keep the economy from contracting this year, economist David Rea said.

"The economy is fragile and a number of headwinds will drag on growth," Rea, an economist at Capital Economics Ltd. in London, said before the report was released.

"A slowing global economy will compound the problems of exporters, who are already struggling with the effects of a strong yen," he said.

The government unveiled a \$100 billion program last week to help companies cope with the appreciating currency, which will channel funds from foreign exchange reserves to the Japan Bank for International Cooperation to aid exporters and spur purchases overseas.

A stronger yen makes Japanese goods more expensive in markets abroad and erodes exporters' earnings abroad when repatriated back to the local currency.

Honda Motor Co. said it may revise its full-year profit forecast depending on the length of the U.S. market turmoil. Chief Financial Officer Fumihiko Ike told reporters Aug. 9 he is concerned the yen may strengthen to the low 70s against the dollar, further hurting the company.

Japan's gross domestic product shrank for a third consecutive quarter in the three months that ended June 30 after the earthquake damaged exporters' factories. GDP will probably drop 0.2 percent this year, marking "a full-year recession," Rea said in a report Monday.

Household spending off

KYODO

Average monthly spending by households fell a real 2.1 percent in July from a year earlier to ¥280,046 for the fifth consecutive monthly decline, the government said Tuesday in a preliminary report.

The Internal Affairs and Communications Ministry said the drop follows the termination of a government subsidy for purchases of environmentally friendly cars last September.

But spending other than related to cars was around the same as a year before and the decline is showing signs of halting, a ministry official said.

The figure is a key indicator for private consumption, which accounts for some 60 percent of GDP.

Strong yen damaging Toyota supplier Denso

BLOOMBERG

Denso Corp., Toyota Motor Corp.'s biggest auto parts supplier, said the strong yen is undermining its recovery from the March 11 earthquake and may prevent the company from raising its full-year profit forecast.

Denso raised its half-year net income forecast on Aug. 1 to ¥9 billion from ¥1 billion on a faster than expected recovery and cost-cutting efforts, while leaving its full-year forecast unchanged.

The yen trading at 76.71 per dollar, near a postwar high, is stronger than its estimate that the currency will average 81 for the full year.

Denso, which makes air conditioners, engine parts and electronic control units for most global carmakers, is hiring 1,200 temporary workers as it helps Toyota make up for weeks of factory shutdowns.

The strong yen cuts the value of repatriated earnings from exports, which make up about 20 percent of Denso's Japan production.

"Because of the super-strong yen, manufacturing in Japan is placed in a very difficult position," Denso President Nobuaki Katoh said Aug. 24 at company headquarters in Kariya, Aichi Prefecture. "The negative impact of the yen is offsetting our increase in production."

Every ¥1 gain against the dollar cuts Denso's operating profit by ¥2.9 billion, the company said.

Denso is expected to post ¥113.4 billion in net income for the full year ending in March, according to the average of 15 analyst estimates compiled by Bloomberg, compared with the company's forecast of ¥98 billion.

The parts maker's production returned to year-earlier levels in July, in time for Toyota's Aug. 23 introduction of its revamped Camry sedan, the best-selling car in the U.S.

With more new models on the way, including a new version of the Prius hybrid, Toyota told suppliers it expects to build a record 8.9 million cars globally

in 2012, up 11 percent from a forecast of 8.04 million this year, Katoh said.

As the yen hurts Denso's profits, the company is aiming to cut production costs by up to 30 percent, he said.

While it is able to shift production to overseas plants, it will keep enough capacity to support Toyota's pledge to maintain 3 million units of annual domestic production, Katoh said.

Mazda ups Vietnam role

KYODO, JUI

Mazda Motor Corp. plans to build its Mazda2 subcompact in Vietnam as early as this year to boost sales further in the local market, sources said Tuesday.

The company will also shift manufacturing to the country because the strong yen and high import tariffs levied by Vietnam are eroding earnings from the carmaker's export business based in Japan, the sources said.

Local distributor Vina Mazda Automobile Manufacturing Co. will use a new plant to build the 1,500cc car at an annual pace of 2,000 units for sale in the Southeast Asian country.

The plant, located in the Nui Thanh district of Quang Nam Province, has an annual output capacity of 10,000 units.

The local production of the Mazda2, known as the Demio in Japan, reflects expectations for steady growth in demand for Mazda vehicles there, company officials said.

Mazda has been exporting its vehicles to Vietnam from Japan and Thailand and selling them through Vina Mazda.

While unveiling plans earlier this year to stop producing its vehicles at a joint plant in Michigan with Ford Motor Co. due to its struggles in the U.S. market, Mazda has been strengthening operations in emerging market economies.

Mazda is planning to start production at a new plant in Mexico in the year that begins in April 2013 to explore a sales opportunity in Brazil.

The company is also in the process of starting local production in Russia.

ALWAYS BE PREPARED



Shoppers check emergency supplies at an Aeon supermarket in Shinagawa Ward, Tokyo, on Monday. Many retailers have expanded sales space for disaster-related goods as Sept. 1, the anniversary of the 1923 Great Kanto Earthquake, is the national day of disaster drills. KYODO

Sony, Toshiba, Hitachi plan LCD venture for cellphones, tablets

KYODO

Sony Corp., Toshiba Corp. and Hitachi Ltd. have largely agreed to integrate their operations for small and midsize liquid crystal display panels for mobile and tablet devices such as smartphones, sources said Tuesday.

The three manufacturers are expected to formally announce as early as Wednesday the planned establishment of a new firm that would control a world-leading share of more than 20 percent of the global LCD panel market.

The move comes as the firms aim to expand their businesses amid intensifying competition from South Korean and Taiwanese manufacturers while demand for smartphones grows.

The government-backed investment fund Innovation Network Corp. of Japan will provide about 70 percent of the investment in the integrated firm, while the three manufacturers will each put up about 10 percent. It will concentrate on development and mass production of second-generation organic electrolumi-

nescent, or EL, display panels.

Japanese manufacturers have traditionally been leading producers of LCD panels, but their share of the large liquid crystal display market has fallen to about 10 percent.

They still hold about 40 percent of the small and midsize display market, but this has been eaten into by South Korean and Taiwanese makers.

Sanyo to shed 400 jobs

Osaka KYODO

Sanyo Electric Co. plans to shed up to roughly 400 jobs at its head office, or about 20 percent of its workforce there, through early retirement and reassignments before parent Panasonic Corp. transitions the group into a new business structure in January, sources said Tuesday.

Panasonic plans to reduce the number of its group workers to 350,000 by March 2013 from 367,000 as of the end of last March.

Sanyo's management will enter talks with its labor union soon over the attrition projected for the end of October, the sources said.

SEMINARS

Healthy eating, cooking

A seminar on healthy eating habits that promote good health will be held Sept. 10 in Yokohama.

Lecturer Junko Tado will

present a culinary lifestyle that she has dubbed "Oneness Food," which features organic millet, brown rice, vegetables, seaweed, natural salt and fermented seasonings.

Her idea is to create a lifestyle based on homemade food with respect for nature.

Tado, a member of the Japan Natural Food Association who regularly organizes workshops on cooking with natural foods, proposes eating natural, mild-tasting foods to improve or maintain one's health.

The "Oneness Food" seminar will take place on the eighth floor of the Lumine Yokoyama department store near the East Exit of Yokohama Station on Sept. 10 from 1 to 3 p.m.

The fee is ¥3,465 to attend, with an additional food tasting fee of ¥700.

Participants are required to bring their own chopsticks for the tasting.

For more information or to apply for the seminar, visit www.asahiculture.com/yokohama or call the Asahi Culture Center at (045) 453-1122.