

Study Group on Intelligent Home Appliance Networking
Summary of First Meeting Proceedings

1. Date and Time: May 18, 2005 (Wed) 15:00-17:00
2. Location: 2F Hall B, Zenkoku Choson Kaikan
3. Attendees (Honorifics omitted): Chair Ishii, Vice-chair Murakami, Okinaka (proxy for Yoshimitsu), Koriyama, Kokuryo, Seki, Takebayashi, Chiba, Tsuga, Tokoro, Nohara, Hashimoto, Fujimoto (proxy for Katsumata), Furukawa, Fuwa, Muraki
4. Agenda: Current Intelligent Home Appliance Network Status and Issues
5. Proceedings
 - (1) MIC's Director-General Shimizu for Policy Planning and METI's Director-General Toyoda, of the Commerce and Information Policy Bureau, gave speeches, followed by the speeches of the members.
 - (2) After approval of the study group outline, Ishii was elected to serve as chairman by mutual vote. Chairman Ishii made a speech and appointed Murakami vice-chairman.
 - (3) The Secretariat explained the management of this study group. Opening the proceedings to the public was approved in principle, as was disclosing the outline of proceedings without identifying the speakers.
 - (4) Vice-chairman Murakami, Shiga and Nohara described the above agenda based on the references:
 - ① Current intelligent home appliance network status and issues (Vice-chairman Murakami)
 - ② Current internet appliance status and prospects (Tsuga)
 - ③ Potential needs of intelligent home appliance networking and issues on boosting services (Nohara)
 - (5) The members voiced the following opinions:
 - It is important to shape the future vision of Japanese industry. The consumer electronics industry in Japan cannot expect steady growth while the consumer electronics industries in other countries, such as Korea, are enjoying constant growth and high profit margins. Meanwhile, Japan's auto industry has high margins and strong exports. What is the fundamental structural difference between the auto industry and the consumer electronics industry? What is the difference between Japan and Korea, Europe or the United States? We may need to focus on the industry structure when we advance discussions.
 - In terms of industry structure, the auto industry is oriented to piece things together while the consumer electronics industry is oriented to combine things.
 - It is very difficult to connect home appliances to one another. What is critical is how far user interfaces will be standardized. As a considerable amount of advance investment is required to develop infrastructure, business operators may find it difficult to move on if the future direction is not clearly identified. Consumer electronics makers and telecommunications carriers may need to

share this understanding.

- We are thinking of providing products that are indispensable rather than products that are nice to have. Discussions of this study group should consider such concepts as home and community in order to solve social structure-related issues from a new perspective.
 - A definition for intelligent home appliances should be established. From the manufacturing perspective, the concern is potential need among the wide-ranging life solution services. Discussion of how to cope with each occasion of use, including commonality of devices and use of OSs such as Linux, is required. That would pave the way for demonstration experiments.
 - Standardization of interfaces is critical, and so is the control of communications. Type of service content is also a decisive factor. We will pursue convenience and comfort through life solution services for increasingly complex needs, while simultaneously putting emphasis, as an energy supplier, on development of networks that contribute to energy saving.
 - We are hopeful of a connection between consumer electronics and broadband or mobile phones, but have not identified the areas to explore deeply. An absence of platforms is also an issue. If the players involved with consumer electronics can see each other's business model, they could confidently advance discussions as the players could identify the focus of cooperation, including what they should do and what they should leave to others.
 - User services, infrastructure and industry were mentioned, but the issue of industry structure also needs to be discussed. Information is handled by software, but there are problems about software, i.e., production technology and industry structure, which is still labor-intensive and lacks crosscutting cooperation. The efficiency should be improved. Establishment of a separate committee to discuss this issue is desirable, if possible.
 - Services are definitely important. Future discussions should be made from a viewpoint that could affect the entire Japanese industry. As the market has reached maturity, we need to arrive at a breakthrough answer.
 - What has traditionally been taken for granted will change. We always consider new businesses and think that integrating solutions is the key to launching new services.
 - What we can do in broadcasting is the issue, and in-home distribution of information will be integrated. What is critical is how the High-Vision World and in-home network can be developed.
 - This study group is epoch-making and should formulate global strategies. With the most advanced networks and the mature market, the key challenge for us is what kind of worldview we can present. It is important to connect the developed services in a crosscutting manner, unbounded by physical constraints. We need to pursue interoperability.
- (6) The Secretariat explained the future schedule; i.e., the second meeting in early June and the third in late June.