Disclaimer

- The views and opinions expressed in this presentation do not necessarily reflect the official policy or position of any organization of Japan.
- They are the sole views of the author and does not represent the organization where author belongs to.
Japan’s Defense Policy
Japan’s Security Policy

- National Security Strategy (2013/12/17)
  - Basic Policy For National For Next 10 Years (JFY2014-2023)

- National Defense Program Guidelines (2013/12/17)
  - Deployment Targets For Major Equipment For About Next 10 Years (JFY2014-2023)
  - Defense Expenditure And Quantities Of Major Equipment For Next 5 Years (JFY2014-2018)

- Mid-Term Defense Program (2013/12/17)

- Strategy On Defense Production And Technological Bases (2014/6/19)
- Reinterpretation of Japan’s Constitution to allow for collective self-defense (2014/7/1)

“Proactive Contributor To Peace”
Based On The Principle Of International Cooperation
● New Guideline For Maintaining And Strengthening Defense Production And Technological Basis, To Support Defense Forces And “Proactive Contribution To Peace”

● Measures
  – Improve Contract System
  – **R&D**: Vision, Civil Technology, Academia, **Dual-use Technology**, Funding For Advanced Technology, **Cooperation With Overseas**
  – **Defense Equipment And Technology Cooperation: International Joint Development And Production**
  – Strengthen MOD’s Structure: Defense Equipment Agency

● Course Of Action For Each Area Of Defense Equipment
  – **Land-based Equipment**: Tanks And Cannons, Wheeled Ground Vehicles, Amphibious Functions
  – **Supplies**: Japanese Physical Features, Chemical Protection Equipment
  – **Warships And Vessels**: Multiple Prime Contractors, Destroyers, Submarines
  – **Aircraft**: F-35A, **Next Generation Fighter Aircraft** (considering co-development), Transport Aircraft And Amphibious Aircraft, Helicopter, **F-35 ALGS**
  – **Ammunitions And Explosives**: Production And Technological Bases, Torpedoes
  – **Guided Missiles**: Domestic Development, **International Development**
  – Communication Electronics, Command And Control System: Advanced Technology, Civil Technology, Software Defined Radio, Devices, Parts
  – Unmanned Equipment: UAS, Robot, Joint R&D
  – **Cyber Security And Space**
Defense Equipment/Technology Transfer
Three Principles on Transfer of Defense Equipment and Technology – April 2014

• Japan Will Continue To ……As A Peace-loving Country.

• Principle 1: Cases Transfers Prohibited;
  ➢ Not Be Permitted When; It Violates Obligations Under Any Treaty Japan Has Concluded, Under UNSC Resolutions, To A Country Involved In A Conflict

• Principle 2: Cases Transfers Permitted, Strict Examination And Transparency
  ➢ Contributes To Further Active Promotion Of Peace Contribution And International Cooperation, Contributes To Japan’s Security

• Principle 3: Limit to Cases Appropriate Control Ensured
  ➢ In Principle, Oblige The Recipient To Gain Prior Consent Of The Gov. Of Japan (GoJ), Regarding Extra-purpose Use And Third Party Transfer

• Information Disclosure
  ➢ Annual Report To NSC (National Security Council)
  ➢ Release For Transparency
**Japan Exhibitors**

1. FRONT LINE EQUIPMENT
2. FUJIKURA PARACHUTE CO., LTD.
3. FUJITSU LIMITED
4. HITACHI LTD.
5. IKEGAMI TSUSHINKI CO., LTD.
6. JAPAN CELL CO., LTD.
7. KAWASAKI HEAVY INDUSTRIES, LTD.
8. MITSUBISHI HEAVY INDUSTRIES LTD.
9. NEC CORPORATION
10. QUEEN LIGHT ELECTRONIC INDUSTRIES LTD.
11. TOSHIBA CORPORATION
12. VS TECHNOLOGY CORPORATION
13. CRISIS INTELLIGENCE CO. LTD. (Eurosatory Agent)

**Exhibit Products**

<table>
<thead>
<tr>
<th>Company</th>
<th>Exhibit Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>MHI</td>
<td>Armored Vehicle (wheeled)</td>
</tr>
<tr>
<td>KHI</td>
<td>Mine Detector, Air to Air Small Target, Motor Cycle</td>
</tr>
<tr>
<td>Hitachi</td>
<td>Mobile Bridge, Mine Processing Device</td>
</tr>
<tr>
<td>NEC</td>
<td>Emergency Radio Communication System, Face Authentication Device</td>
</tr>
<tr>
<td>Toshiba</td>
<td>Weather Radar, Air Traffic Radar</td>
</tr>
</tbody>
</table>

出典: 2014年6月18日 産経新聞  
Ref.: June 18, 2014 Sankei Shimbun

http://www.afpbb.com/articles/-/3018210?pid=13905754
Keynote Speech: “Defense Industry Of Japan In The Age Of Globalization And The Three Principles Of Defense Equipment Transfer” - Professor Yuzo Murayama (Doshisha University, Vice-chancellor)

- Strategy-1: Run-up; From Parts, Components To Sub-system And Systems
- Strategy-2: Role Share; From Licensed Production To Global Cooperative Production
- Strategy-3: (Defensive) Systems Export: Anti-terrorism, Infectious Diseases, Cyber Attacks, Missile Defense, Etc.

Panel Discussion

- No Boundary Among Defense, Disaster Relief And Crime Prevention
- Priority Is Quality And Performance: Good Opportunities
- Need Capability To Review Defense Technology Level
- To Know The Law/Regulation Of The Partner Countries
- U.S. Welcomes Japan’s New Policy: Right Of Collective Self-defense, Defense Equipment/Technology Transfer
- Equipment Transfer (Arms Exports) Helps The Military Operation
- Need Japan Version Of FMS
- To Create A Track Record Of Gov.-Industry Cooperation
"Arms Export"

Defense Equip. Transfer will be issue for security dialogue
- Toru Hocchi, Director, MOD

Industry Opinion
- Benefit will be business expansion.
- Japanese domestic developed weapons could attract to foreign countries.
- If inquiries from overseas come, we may not proactively respond.
- As an industry, we cannot judge whether weapon/weapon technology export allowed or not.
- Top management of company will not approve the export without considerable commitment of government and minimizing risk.

New security policy will not be limited for US-Japan alliance, but contributes to the stability in Asia.
- Kevin Maher

PAC-2 missile seeker gyro

October 5, 2014
Joint Statement on Defense Industry Cooperation between Japan and the United States
July 17, 2012
Defense Production Committee, KEIDANREN
Aerospace and Defense Committee, American Chamber of Commerce in Japan
## Candidate for Cooperation (1/2)

<table>
<thead>
<tr>
<th>Category</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case A</strong></td>
<td></td>
</tr>
<tr>
<td>Joint</td>
<td></td>
</tr>
<tr>
<td>Development/Production</td>
<td>1. SM-3 Blk2a Missile (U.S.- Japan Joint Development/Production)</td>
</tr>
<tr>
<td></td>
<td>2. Chemical Protection Suit (UK- Japan)</td>
</tr>
<tr>
<td></td>
<td>3. UUV (France- Japan)</td>
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<td></td>
<td>4. Tank Technology (Germany- Japan)</td>
</tr>
<tr>
<td></td>
<td>5. Missile Seeker (UK- Japan: Meteor)*</td>
</tr>
<tr>
<td></td>
<td>6. Unmanned Submarine (U.S.- Japan)</td>
</tr>
<tr>
<td></td>
<td>8. Participation In The International System For Mutual Interchange The Parts, Etc. (F-35 ALGS)</td>
</tr>
<tr>
<td>Cooperative Development</td>
<td></td>
</tr>
<tr>
<td>(Based On Japanese System)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. US-2 Flying Boat</td>
</tr>
<tr>
<td></td>
<td>2. Type 90 Tank</td>
</tr>
<tr>
<td></td>
<td>3. Submarine</td>
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<tr>
<td></td>
<td>4. Others</td>
</tr>
<tr>
<td><strong>Case D</strong></td>
<td></td>
</tr>
<tr>
<td>License Product (Export To Licenser)</td>
<td>1. Licensed Products</td>
</tr>
<tr>
<td></td>
<td>(A) Patriot (PAC-2 Seeker Gyro)*</td>
</tr>
<tr>
<td></td>
<td>(B) Other Licensed Components</td>
</tr>
</tbody>
</table>

ALGS: Autonomic Logistics Global Sustainment

*: GOJ approved
## Candidate for Cooperation (2/2)

<table>
<thead>
<tr>
<th>Category</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case B</strong> Industry-Industry Cooperative R&amp;D</td>
<td>1. Joint Research And Development With Foreign Companies</td>
</tr>
<tr>
<td><strong>Case C</strong> Foreign Government Program</td>
<td>1. Direct Contract To Foreign Government/ Company</td>
</tr>
<tr>
<td></td>
<td>2. Produce Parts/Components As A Supplier</td>
</tr>
<tr>
<td><strong>Investment and Other</strong></td>
<td>1. Investment In Defense Companies, Business Acquisitions (U.S. Needs CFIUS Review)</td>
</tr>
<tr>
<td></td>
<td>2. JV Establishment In Foreign Countries</td>
</tr>
</tbody>
</table>

CIFIUS: The Committee on Foreign Investment in the United States
JV: Joint Venture
R&D: Research and Development
Summary
Summary

- No Experience For Arms Export
  - Even Trading Company (Shosha)

- Need To Find Requirements From Foreign Country

- Export Guidelines Needed
  - Clear regulatory process of approval

- Defense Equipment Agency (October 2015, expected)
  - Export Promotion Expected

- Opportunities Exist
  - System Level (Aircraft, Ship, Submarine, Tank, Missile, Radar, Communication, etc.)
  - Components, Parts, Material
  - Space (e.g., GPS+QZSS, SSA, MDA), Cyber

GPS: Global Positioning System
MDA: Maritime Domain Awareness
QZSS: Quasi-Zenith Satellite System
SSA: Space Situational Awareness
Appendix
Defense Industry Top 100 (2014)

Ref: Defense News Top 100 2014
http://special.defensenews.com/top-100/charts/top100.html#top100s
Three Principles On Transfer Of Defense Equipment And Technology

Japan will continue to adhere to the course it has taken to date as a peace-loving country.

**Principle 1: Clarification of cases where transfers are prohibited**

Overseas transfer of defense equipment and technology will not be permitted when:

1. It violates obligations under treaties and other international agreements that Japan has concluded (ex. CWC, Convention on Cluster Munitions, the Ottawa Treaty, provisions of ATT.)

2. It violates obligations under UNSC resolutions (such as those that decides to prevent arms transfers to sanctioned countries including UNSCR1718 (North Korea) and UNSCR1929 (Iran))

3. It is destined for a country party to a conflict (country party to a conflict: a country against which the United Nations Security Council is taking measures to maintain or restore international peace and security in the event of an armed attack)

**Principle 2: Limitation to cases where transfers may be permitted to the followings, conducting strict examination while ensuring transparency**

1. Transfer which contributes to active promotion of peace contribution and international cooperation
2. Transfer which contributes to Japan’s security - Implementing international joint development and production projects with its ally and partners - Enhancing security and defense cooperation with its ally and partners - Supporting SDF activities including maintenance of its equipment, ensuring the safety of Japanese nationals
   * Conduct strict examination on the appropriateness of destination, the sensitivity of the type of weapons etc. Ensure transparency on the system, procedure and guideline for the examination.

**Principle 3: Limitation to cases where appropriate control regarding extra-purpose use and transfer to third party is ensured**

In principle, oblige the Government of the recipient country to gain prior consent of the GoJ regarding extra-purpose use and transfer to third party.

(Appropriate control may be ensured with the confirmation of control system at the destination in such cases as those where the transfer is judged to be appropriate for active promotion of peace contribution and international cooperation, when the transfer involves participation in an international system for sharing parts etc.)

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**Information Disclosure**

- Annual Report will be submitted to NSC (National Security Council)
- Release For Transparency
Defense Equipment Agency

Integration & Restructuring of Logistics Function of MoD & Each Service