

SPFUSA Second Annual U.S.-Japan Security Forum

**Updating the Alliance
Domestic Changes, Regional and Global Challenges**

U.S.-Japan Defense Development Cooperation

April 29, 2015

Four Seasons Hotel, Washington, DC, U.S.A.

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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.

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- **Defense Equipment/Technology Transfer**
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Japan's Defense Policy

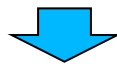
Japan's Security Policy

National Security Council (NSC)
Established (2013/12/4)

National Security Strategy

Basic Policy For National For Next 10 Years (JFY2014-2023)

(2013/12/17)



National Defense Program Guidelines

Deployment Targets For Major Equipment For About Next 10 Years (JFY2014-2023)

(2013/12/17)



Mid-Term Defense Program

Defense Expenditure And Quantities Of Major Equipment For Next 5 Years (JFY2014-2018)

(2013/12/17)

- Three Principles On Transfer Of Defense Equipment And Technology (2014/4/1)
- 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

Strategy on Defense Production and Technological Bases - June 2014

- **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 ToAs 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

EUROSATORY 2014



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)

Japan Booth



ユーロサトリに出展した主な企業と展示内容

企業名	展示内容
三菱重工業	装甲輸送車
川崎重工業	地雷探知機 空対空小型標的機 オートバイ
日立製作所	川に橋を架けられる車両 地雷処理装置
富士通	次世代野外訓練システム 次世代半導体
NEC	緊急時用無線システム 顔認証装置
東芝	気象観測レーダー 航空管制レーダー

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

Company	Exhibit Products
MHI	Armored Vehicle (wheeled)
KHI	Mine Detector, Air to Air Small Target, Motor Cycle
Hitachi	Mobile Bridge, Mine Processing Device
Fujitsu	Next Gen. Field Training System, Next Gen. Semi-conductor
NEC	Emergency Radio Communication System, Face Authentication Device
Toshiba	Weather Radar, Air Traffic Radar

“Right of Collective Self-Defense and Decision of Japan” - 2014 RIPS Seminar (October 1, 2014)

- **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

2014 RIPS Seminar



RIPS 2014 年秋季公開セミナー
集団的自衛権と日本の選択

第1回 日時 2014年9月24日 15:00~17:00
講演 香田 洋二氏 (元自衛隊幕僚長) 【集団的自衛権と武力行使事案】
【現場が伝える現場】
参加費 一般 2,000円 法人・個人会員 1,000円 学生 1,000円
※当日会場にて現金をお支払い下さい。

第2回 日時 2014年10月1日 15:00~18:00
講演 村山 裕三氏 (元防衛大臣) 【防衛装備移転三原則とグローバル化時代の日本の防衛産業】
山崎 勝義氏 (ロッキード・マコーン社顧問)
強利 真氏 (クライスル・インテリジェンス社社長) 山崎 勝義氏 (ロッキード・マコーン社顧問)
パネル 及川 耕造氏 (元防衛大臣) 野田 聖子氏 (元防衛大臣) 西山 淳一氏 (元防衛大臣) 東京工科大学
クビシノメア氏 (元防衛省防務局) 山崎 勝義氏 (ロッキード・マコーン社顧問)
参加費 一般 3,000円 法人・個人会員 2,000円 学生 1,000円
※当日会場にて現金をお支払い下さい。

お申し込み <http://www.rips.or.jp/> 当研究所ホームページの申込フォームより
お申し込みください。 郵送の申し込みも受け付けています。
Fax. 03-3560-3289

会場名 **グランドヒル市ヶ谷** (第1回) 瑠璃の間 (第2回) 白樺の間
所在地 〒162-0845 東京都新宿区市谷本村町4-1
会場へのアクセス 京線市ヶ谷駅より徒歩3分
最寄り市ヶ谷駅から新橋方向に150m
会場案内図

一般財団法人 平和・安全保障研究所 〒102-0052 東京都港区赤坂1-1-12 朝陽ビルディング5階
<http://www.rips.or.jp/> ☎03-3560-3288 fax.03-3560-3289 rips-info@rips.or.jp

NHK SPECIAL “ARMS EXPORT”

October 5, 2014



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



PAC-2 missile seeker gyro

NSC(国家安全保障会議)



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



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.

諸外国から武器輸出について問い合わせが来るんですね
ここが企業の立場ではまったく判断がつかない

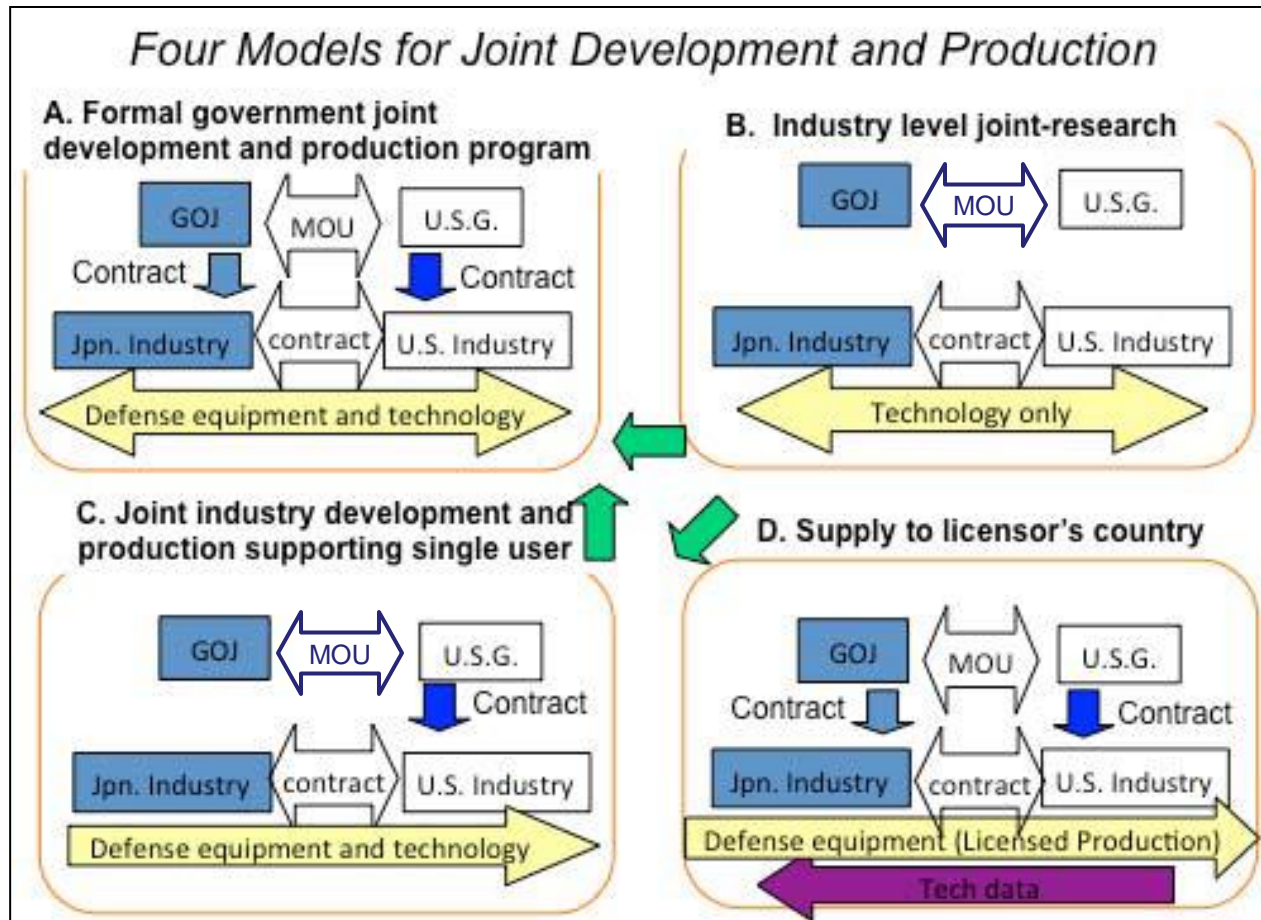
Defense Industry Cooperation

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)

Category	Project			
<p><u>Case A</u> Joint Development/ Production</p>	<ol style="list-style-type: none"> SM-3 Blk2a Missile (U.S.- Japan Joint Development/ Production) Chemical Protection Suit (UK- Japan) UUV (France- Japan) Tank Technology (Germany- Japan) Missile Seeker (UK- Japan: Meteor)* Unmanned Submarine (U.S.- Japan) Export Of Submarine Technology (Australia- Japan: G-G Dialogue Started) Participation In The International System For Mutual Interchange The Parts, Etc. (F-35 ALGS) 	 <p style="text-align: center;">Meteor</p>	 <p style="text-align: right;">SM-3</p>	
<p><u>Case A</u> Cooperative Development (Based On Japanese System)</p>	<ol style="list-style-type: none"> US-2 Flying Boat Type 90 Tank Submarine Others 	 <p style="text-align: center;">US-2</p>	 <p style="text-align: center;">Type 90 Tank</p>	 <p style="text-align: center;">Submarine</p>
<p><u>Case D</u> License Product (Export To Licenser)</p>	<ol style="list-style-type: none"> Licensed Products (A) Patriot (PAC-2 Seeker Gyro)* (B) Other Licensed Components 	 <p style="text-align: center;">Patriot</p> <p style="text-align: right;">*: GOJ approved</p>		

Candidate for Cooperation (2/2)

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

CIFIUS: The Committee on Foreign Investment in the United States

JV: Joint Venture

R&D: Research and Development

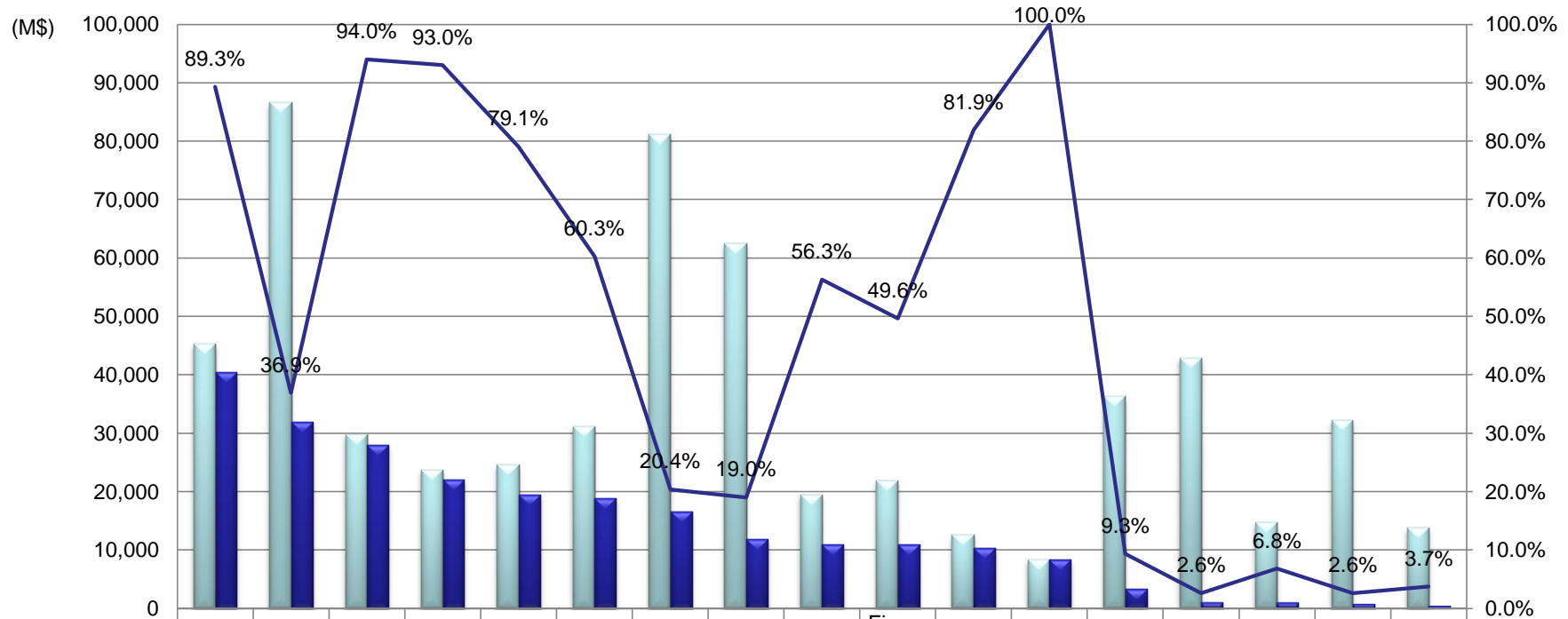
Summary

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**

Appendix

Defense Industry Top 100 (2014)



	Lockheed (1)	Boeing (2)	BAE (3)	Raytheon (4)	Northrop (5)	GD (6)	Airbus (7)	UTC (8)	Thales (9)	Finmeccanica (10)	L-3 (11)	Almaz-Antey (12)	MHI (26)	MELCO (59)	KHI (66)	NEC (75)	IHI (98)
Total Revenue	45,358	86,623	29,803	23,706	24,661	31,218	81,193	62,600	19,457	21,968	12,629	8,326	36,252	42,976	14,686	32,257	13,822
Defense Revenue	40,494	32,000	28,014	22,048	19,500	18,836	16,547	11,894	10,962	10,896	10,337	8,326	3,355	1,102	1,005	847	512
Defense	89.3%	36.9%	94.0%	93.0%	79.1%	60.3%	20.4%	19.0%	56.3%	49.6%	81.9%	100.0%	9.3%	2.6%	6.8%	2.6%	3.7%

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.)

Information Disclosure

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

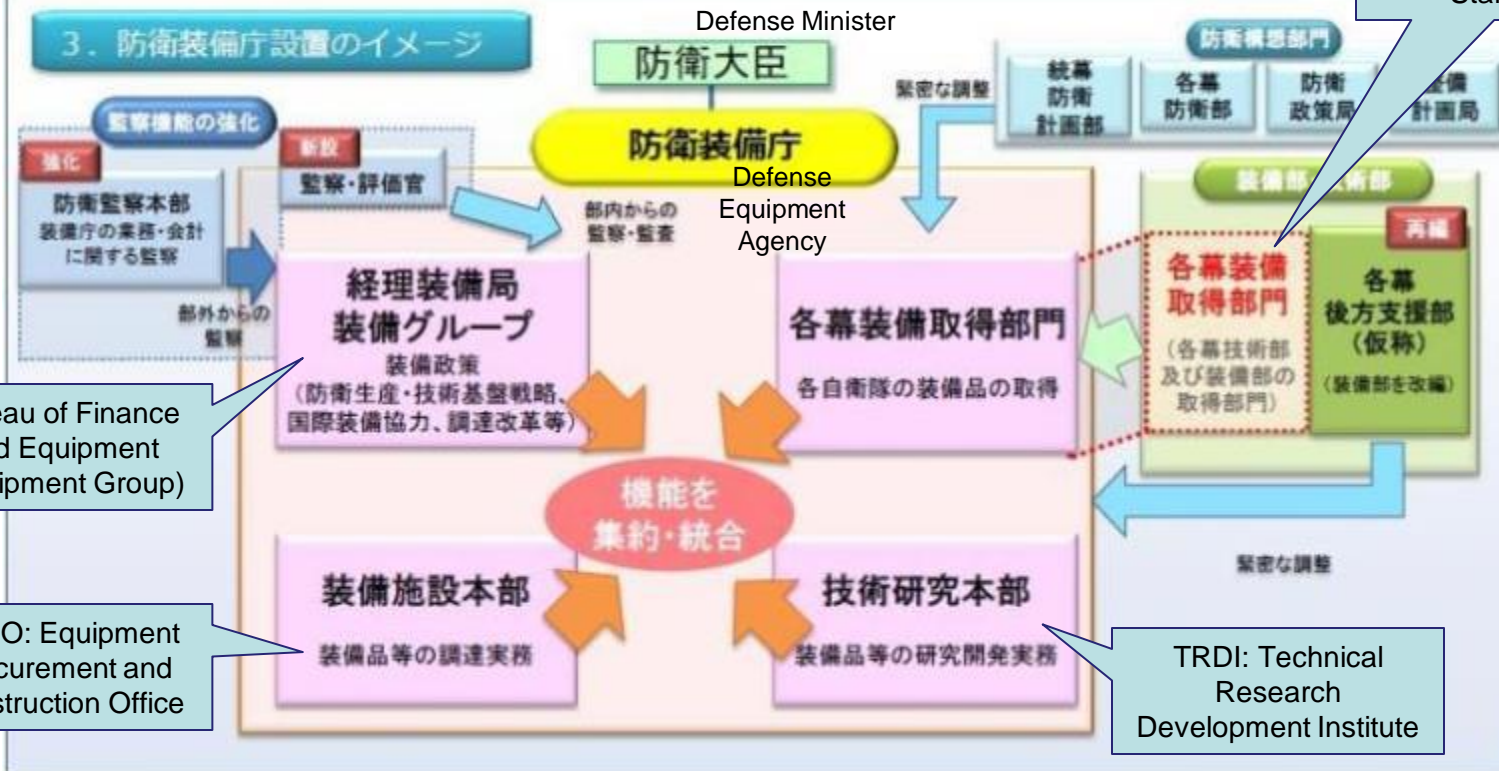
Defense Equipment Agency

2. 防衛装備庁設置の目的

- ①：統合的見地を踏まえ、装備品のライフサイクルを通じた一貫したプロジェクト管理の実施
- ②：新しい領域（防衛装備品の一層の国際化、先進技術研究への投資等）における積極的な取組
- ③：調達改革の実現と防衛生産・技術基盤の維持・育成の両立

JFY2015 Planned

3. 防衛装備庁設置のイメージ



Integration & Restructuring of Logistics Function of MoD & Each Service