Headlines:

➢ Japan-NATO advance security and technology cooperation
➢ Japanese firms vie for US investment banking deals
➢ US FDA formally approves Japanese Alzheimer’s drug
➢ Allies strengthen interoperability in Pacific Vanguard exercise
➢ Japanese victims of incident involving US sailor file lawsuit

Details:

• Prime Minister Kishida participated in the 2023 NATO Summit July 11-12 and agreed with NATO to expand various security-related cooperation programs under a new initiative. In Lithuania, Kishida premiered an Individually Tailored Partnership Program (ITPP) cooperative document with NATO Sec. Gen. Stoltenberg covering 16 areas, such as cyber defense, emerging technologies, strategic communication, space and maritime security, climate change, and arms control. Before and during the Summit, divisions emerged over establishing a NATO liaison office in Tokyo. After the French government expressed opposition, the proposal was absent from the Summit’s joint communique. However, Stoltenberg clarified that the office discussions will continue in the future. At the end of the Summit, President Biden, PM Kishida, and President Zelensky remarked upon the debut of a G7 Joint Declaration on Support for Ukraine. Both leaders expressed solidarity with Ukrainian sovereignty, regional stability, and the maintenance of international order.

• In a sign of growing Japanese investment interest in the US, Mizuho Securities announced plans to increase US operations personnel by 30% in 3 years, while Sumitomo Mitsui Financial Group (SMFG) launched a new digital banking service in the US. These efforts show a Japanese trend to expand US investment and retail banking activities. Mizuho Financial Group shared plans for a $550 million acquisition of US investment bank Greenhill & Co. in May. Mizuho’s rival, SMFG, said in April it would triple its stake in US financial services company, Jefferies Financial Group.

• US regulators approved Lecanemab (branded as Leqembi), an Alzheimer’s drug treatment developed by Japanese pharmaceutical company Eisai Co. and US firm Biogen Inc. Lecanemab is the first drug treatment proven to slow the disease’s cognitive decline in early stages. The drug now qualifies for coverage by Medicare and other health insurance providers. However, Lecanemab received the highest level of safety warning on its label for severe side effects, such as brain swelling and bleeding. Market demand predictions are divided, with analysts weighing the drug’s unprecedented results against the high cost and potential danger of its side effects.

• The US, Japan, South Korea, and Australia took part in Pacific Vanguard 2023, a multilateral maritime exercise in the Philippine Sea from July 1-12. The allies conducted drills in anti-submarine warfare, air warfare, live-fire missile events, and maritime maneuvers. US and Japanese commanders said the exercises promote interoperability and enable peace and stability in the region. At the same time, the Japan Maritime Self Defense Force tracked Russian and Chinese vessels conducting their own joint exercises near Japan’s EEZ in the East China Sea.

• Four Japanese nationals who were allegedly attacked last year by a US Navy sailor filed a lawsuit on July 10. The accused seaman, Daniel Krieger of the USS Milius anchored at Yokosuka Naval Base, was indicted in November 2022 on assault charges without arrest. The lawsuit against him amounts to $156,000 for damages and permanent injuries inflicted on the victims. The case is currently in pretrial proceedings and no date is set for the first hearing.

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