Armaments Cooperation Generating Mutual Benefits

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The New Guidelines for Japan-U.S. Defense Cooperation

"Defense Equipment and technology Cooperation" is stated for the first time in the Guidelines for Japan-U.S. Defense Cooperation released on April 27, 2015.

In order to enhance interoperability and to promote efficient acquisition and maintenance, the two governments will:

- cooperate in joint research, development, production, and test and evaluation of equipment and in mutual provision of components of common equipment and services;
 - ⇒ Three joint researches, BMD joint development, PAC-2 parts transfer, etc.
- strengthen the basis to repair and maintain common equipment for mutual efficiency and readiness;
 - ⇒ F-35 Regional Depot, V-22 common maintenance basis, E-2D maintenance, etc.
- facilitate reciprocal defense procurement; and
 - ⇒ Reciprocal Defense Procurement MOU
- explore opportunities for cooperation with partners on defense equipment and technology.
 - ⇒ Japan-U.S.-Australia Defense Equipment and Technology Cooperation, etc.

Promoting Defense Equipment and Technology Policies

From the perspective of "Proactive Contribution to Peace" based on the principle of international cooperation, Japan contributes more proactively to <u>peace and international cooperation including through utilizing defense equipment</u>, and to participate in joint development and production of defense equipment and other related items.
(National Security Strategy)

Three Principles on transfer of Defense Equipment and Technology (Cabinet Decision on 1 April 2014)

"Defense production and technological bases are one of the important factors that support defense forces through research, development, production, operation and maintenance of defense equipment. In order to develop, maintain and operate defense capability steadily with limited resources in the medium-to long-term, Japan will endeavor to engage in effective and efficient acquisition of defense equipment, and will maintain and enhance its defense production and technological bases, including through strengthening international competitiveness."

(National Security Strategy)

"Formulate a strategy that sets forth its future vision for Japan's defense production and technological bases as a whole in order to maintain and reinforce such bases without delay."
(the National Defense Program Guidelines for FY 2014 and beyond (NDPG))

Strategy on Defense Production and Technological Bases
(on 19 June 2014)

Three Principles on Transfer of Defense Equipment and Technology Cabinet Decision on 1 April 2014

Principle 1: Defining cases where transfers are prohibited

Principle 2: Limiting cases where transfers could be permitted to the followings, conducting strict examination and ensuring transparency

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

- ①it violates obligations under any treaty Japan has concluded
- **②it violates obligations** under UNSC Resolutions
- ③ it is destined for a country involved in a conflict

1)transfer which contributes to further active promotion of peace contribution and international cooperation2)transfer which contributes to Japan's security

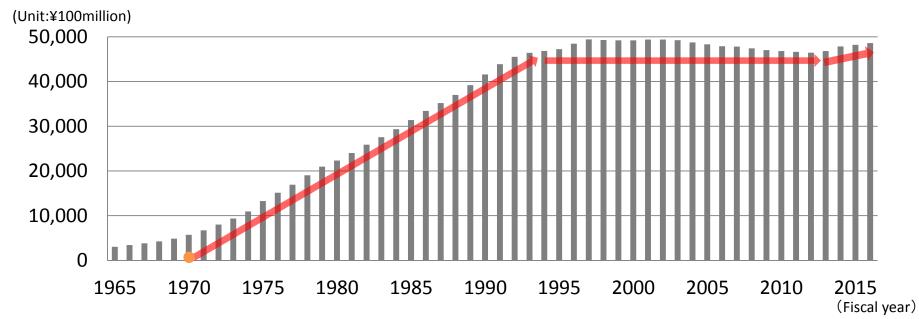
- Implementation of <u>international joint development and</u> production with its ally and partners
- Strengthening of <u>security and defense cooperation</u> with its ally and partners
- defense equipment and technology related to cooperation concerning rescue, transportation, vigilance, surveillance or minesweeping with countries cooperating with Japan in security area

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

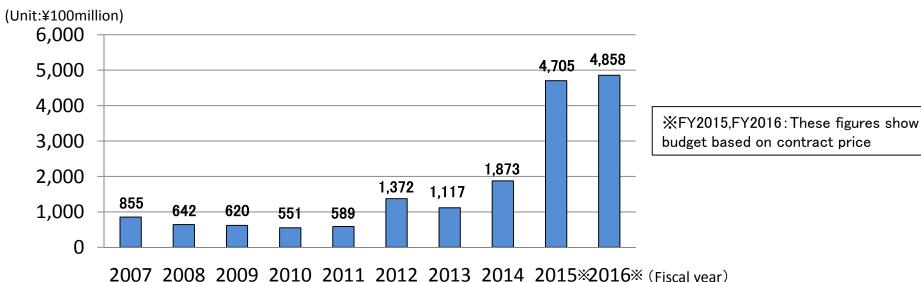
In principle, oblige the recipient to gain prior consent of the GoJ regarding extra-purpose use and third party transfer.

Defense Budget of Japan

【Transition of Defense Budget】



【Record of FMS Procurement etc.】



Important Items in Japan-US industry

> Supply chain management of the Japan-US common equipment

> Encouraging Innovation including SMEs

> Ensuring Security