Section 5

Defense Equipment and Technology Cooperation

Based on the Three Principles on Transfer of Defense Equipment and Technology, Japan promotes cooperation in defense equipment and technology with other countries in order to contribute to the maintenance and strengthening of defense technological and industrial bases, as well as contributing to the promotion of our national security, peace and international cooperation. Japan will continue to realize effective defense equipment and technology cooperation through the strengthening of intelligence gathering such as the needs of its counterparts, cooperation including assistance for maintenance and repair of equipment, and strengthening of cooperative posture between the public and private sectors.

Three Principles on Transfer of Defense Equipment and Technology-------

Based on the National Security Strategy formulated in December 2013, the Three Principles on Transfer of Defense Equipment and Technology¹ and its implementation guidelines were formulated in April 2014 as clear principles adapted to the new security environment. Under the principles, the MOD will contribute to peace and international cooperation more than ever, while actively promoting measures necessary for maintaining the peace and stability of the region and firmly defending Japan through active defense cooperation with the United States, which is Japan's ally, and other countries. An appropriate overseas transfer of defense equipment and technology contributes to further active promotion of the maintenance of international peace and security. Such transfer also contributes to strengthening security and defense cooperation with Japan's ally, the United States as well as other countries. Furthermore, it contributes to maintaining and enhancing Japan's defense production and technological bases, thereby contributing to Japan's enhancement of defense capability, given that international joint development and production projects have become the international mainstream.

Q See Reference 57 (Three Principles on Transfer of Defense Equipment and Technology)

Main Contents of the New Three Principles

(1) Clarification of Cases Where Transfers Are Prohibited (the First Principle)

The cases where overseas transfers of defense equipment are prohibited are clarified as follows: (1) in the case of violating the obligations under treaties and other international agreements that Japan has concluded; (2) in the case of violating the obligations based on the Resolution of the United Nations Security Council; or (3) in the case of transferring to the countries in conflicts.

(2) Limitation to Cases Where Transfers May Be Permitted As Well As Strict Examination and Information Disclosure (the Second Principle)

The cases where transfers may be permitted are limited to (1) cases that contribute to the active promotion of peace contribution and international cooperation, (2) cases that contribute to the security of Japan, or other cases. The Government will conduct strict examination on the appropriateness of the destination and end user, and on the extent of the concerns that the overseas transfer of such equipment and technology will raise for Japan's security, whilst ensuring transparency. In addition, it has been decided that important cases would be deliberated at the National Security Council and along with this, information concerning the cases that were deliberated would be disclosed.

(3) Ensuring Appropriate Control regarding Extra-Purpose Use or Transfer to Third Parties (the Third Principle)

Overseas transfers of defense equipment and technology will be permitted only in cases where appropriate control is ensured, and the Government will in principle oblige the government of the recipient country to gain its prior consent regarding extra-purpose use and transfer to third parties. However, in cases where it is judged appropriate for the active promotion of peace contribution and international cooperation, cases involving participation in the international systems for sharing parts, and cases where parts are delivered to a licenser, appropriate control may be ensured with the confirmation of the control system at the destination.

Q See Reference 58 (The First Principle "The Cases Where Transfers Are Prohibited," the Second Principle "Limitation to Cases Where Transfers May Be Permitted," and the Third Principle "Ensuring Appropriate Control")

The term "defense equipment" is deemed appropriate for the title of "Three Principles for the Transfer of Defense Equipment and Technology," since possible articles of overseas transfers help with peace contribution and international cooperation as was seen in the example of the provision of bulldozers and other items belonging to the SDF to disaster-stricken countries. Similarly, due to the fact that there is provision of technology in addition to goods, the term "transfer" was adopted rather than "export."

Deepening Relationships with the United States regarding Defense Equipment and Technology Cooperation...

Joint Research and Development, etc.

Since 1992, Japan has implemented 23 joint research projects and one joint development project with the United States. At present, four joint research projects ((1) Comparison of Operational Jet Fuel and Noise Exposures, (2) Chemical Agent Detector-kit Colorimetric Reader, (3) High-Temperature Case Technologies, and (4) Next Generation Amphibious Technologies) are in implementation. In addition, with regard to the transfer of parts for Patriot PAC-2, software and parts, etc. for the Aegis System and F100 engine parts that are installed in F-15s and F-16s from Japan to the United States, Japan has affirmed since July 2014 that these overseas transfers fall under cases that may be permitted, based on deliberations at the National Security Council.

Q See Part III, Chapter 1, Section 2-2-2 (Missile Defense of the United States and Japan-U.S. BMD Technical Cooperation) Reference 22 (Japan-U.S. Joint Research and Development Projects)

2 Production, Sustainment and Maintenance of Common Equipment between Japan and the United States

Participation of Japanese Industry in the Production of the F-35A and the Establishment of Regional Maintenance, Repair, Overhaul and Upgrade (MRO&U) Capability

In December 2011, Japan selected the F-35A fighter aircraft as the next-generation fighter aircraft to be the successor to the F-4 fighter aircraft. At the same time, the Government decided to procure 42 aircraft from FY2012 onwards and to have Japanese industries participate in its production, aside from several completed aircraft, which will be imported.² In light of this decision, the Japanese Government has been working to enable the involvement of Japanese industries in the manufacturing process in preparation for the acquisition of F-35A fighter aircraft from FY2013 onwards. So far the Japanese companies have participated in the Final Assembly and Check Out (FACO) for airframe and engines, and the manufacture of some engine parts (19 items), radar parts (7 items), and Electro-Optical Distributed Aperture System (EODAS)³ parts (3 items).

For the procurement of F-35A fighters in FY2019 and

after, the MOD compared the unit price assuming the participation of domestic companies in the production with the import price of completed aircraft. Since the latter was lower, the Government decided to import completed F-35A fighters in order to promptly procure the necessary number while at the same time efficiently strengthening Japan's defense capabilities under the severe fiscal circumstances. Later, however, as a result of cost reduction efforts by the manufacturers, including improvement in the manufacturing process and reduction of person-hours through work skill improvement, it was confirmed that the FACO by domestic companies would make the price lower than importing completed aircraft. For this reason, for the FY 2019 and FY2020 procurement, the MOD decided to procure F-35A fighters finally assembled and completed by domestic companies.⁴

The continuing participation of domestic companies in the manufacturing of F-35A fighters is meaningful in that it ensures operational and maintenance bases as well as the sustainment, development and advancement of fighterrelated technology bases through working with cutting-edge fighter technologies and knowhow, which will eventually contribute to strengthening of the defense technological and industrial bases.

As global operation of F-35 fighter aircraft is anticipated, the U.S. Government plans to establish maintenance depot (regional MRO&U Capability) mainly for airframes and engines in the North America, Europe, and the Asia-Pacific regions. In December 2014, with regard to regional MRO&U in the Asia-Pacific region for the F-35, the U.S. Government announced the following decisions: (1) Regional MRO&U Capability for airframes will be provided by Japan and Australia with both capabilities required not later than early 2018;⁵(2) with regard to the regional MRO&U Capability for engines, initial capability will be provided by Australia by early 2018, with Japan providing additional capability at least 3-5 years later.⁶

Currently the MOD is preparing regional MRO&U capability for airframes to handle maintenance requirements beyond our field maintenance capability. In February 2019, the U.S. government announced the assignment of MRO&U capability for avionics components to Japan. These component MRO&U will begin activating in 2025, with

3 EODAS; comprising six built-in cutting-edge infrared sensors per aircraft, realizes 360-degree spherical situational awareness, and enables missile detection and tracking.

4 In December 2019, for F-35A procurement in FY2019 and FY2020, it was decided to choose manufacturing arrangements involving domestic companies as it was confirmed to be more cost effective.

5 The regional MR0&U for airframes in Japan is scheduled to be located at Mitsubishi Heavy Industries Ltd. (Komaki-minami factory in Aichi Prefecture).

6 The regional MR0&U for engines in Japan is scheduled to be located at IHI Corporation (Mizuho factory in Tokyo)

Chapter

² In December 2018, the number of F-35A to be procured was changed from 42 to 147, of which 42 can be replaced by fighters that are capable of short take-off and vertical landing (STOVL).

timing informed by regional demands for repair.⁷

Establishing a maintenance depot for airframes, engines and others within Japan, and contributing to maintenance in the Asia-Pacific region are significant from the perspectives of securing the operational support system for F-35A fighter aircraft in Japan, maintaining the Japanese defense industrial base, strengthening the Japan-U.S. Alliance, and deepening equipment cooperation in the Asia-Pacific region.

(2) Initiatives towards the Establishment of a Common Maintenance Base of the Japan-U.S. Osprey

As the Planned Maintenance Interval (PMI) of the U.S. Marine Corps Ospreys deployed at Marine Corps Air Station Futenma was scheduled to commence roughly in 2017, the U.S. Navy carried out a public tender to select a maintenance company. Fuji Heavy Industries Ltd.⁸ was selected as the maintenance company for this purpose in October 2015. From February 2017, the PMI has been performed at

GSDF Camp Kisarazu. Maintenance of the first aircraft was completed in March 2019 and the second in March 2020, and the aircraft were delivered to the U.S. Forces.

The MOD intends to establish a common maintenance base for both Japan's and the United States' Osprey by allowing the maintenance company to use the hangar at GSDF Camp Kisarazu for aircraft maintenance of the U.S. Marine Corps Osprey and also to implement the future aircraft maintenance of the GSDF Osprey at the same camp from the following perspectives: (1) smooth introduction of the GSDF Osprey (V-22);⁹(2) smooth and effective operation of the Japan-U.S. security arrangements; and (3) enhanced efficiency in maintenance. The establishment of a common maintenance base at GSDF Camp Kisarazu would be extremely significant in that it will contribute to mitigating the burden on Okinawa as well as the "Strengthening of the basis to repair and maintain common equipment" stated in the new Guidelines.

Chapter

2

Measures on Defense Equipment and Technology

Building New Defense Equipment and Technology Cooperation

Defense Equipment and Technology Cooperation with Major European Countries, etc.

Defense equipment and technology cooperation with major European countries, which have competitive defense industries, will contribute to the strengthening of security and defense cooperation with these countries as well as the maintenance and strengthening of the defense industrial base in Japan. Therefore, Japan seeks to establish and deepen relationships with these countries.

(1) The United Kingdom

In July 2013, the Governments of Japan and the United Kingdom concluded a bilateral Agreement concerning the Transfer of Defense Equipment and Technology.¹⁰ In the same month, the two countries also started the Chemical and Biological Protection Technology Cooperative Research Project, marking the first time that Japan had engaged in such research with a country other than the United States. The Cooperative Research resulted in success in July 2017.

Also, the Cooperative Research on Personnel Vulnerability Evaluation was launched in July 2016, followed by the Cooperative Research on the Certification Process of Jet Engines in February 2018, the Cooperative Research on the Feasibility of a Japan and Great Britain Universal Advanced RF System (JAGUAR) in March 2018, and the Japan-UK Cooperative Research Project on the Demonstration of a Joint New Air-to-air Missile in December 2018. The Cooperative Research on the Certification Process of Jet Engines was successfully completed in February 2020.

Furthermore, the two countries are exchanging information regarding the fighter (F-X) and the Future Combat Air System (FCAS)¹¹ that are under study by Japan and the United Kingdom respectively, such as the Joint Preliminary Study on Potential Collaborative Opportunities for FCAS/Future Fighter, and exchanging views on the potential for future collaboration between the governments of Japan and the United Kingdom with industries also involved.

The meeting of the UK-Japan High-Level Defence Equipment and Technology Cooperation Steering Panel was first held in July 2014, and it has been held regularly since then.

Q See Part III, Chapter 3, Section 1-2-5 (1) (The United Kingdom)

⁷ The regional MR0&U for avionics components in Japan is planned to be developed by Mitsubishi Electric Corporation (Kamakura Works in Kanagawa Prefecture)

⁸ The company was renamed SUBARU Corporation on April 1, 2017.

⁹ GSDF will introduce 17 tilt-rotor aircraft (Osprey (V-22)) that can complement and strengthen the capabilities of transport helicopters (CH-47JA) in terms of cruising speed and range. As a temporary measure until completion of the maintenance facilities in Saga Airport, the aircraft will be temporarily deployed at Camp Kisarazu.

¹⁰ Official name: Agreement Between the Government of Japan and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning the Transfer of Arms and Military Technologies Necessary to Implement Joint Research, Development and Production of Defence Equipment and Other Related Items

¹¹ Generic name of the whole future fighter aircraft system in the United Kingdom

(2) France

Japan and France established committees on cooperation in the field of defense equipment and on export control respectively in January 2014, and signed the Agreement concerning the Transfer of Defense Equipment and Technology¹² in March 2015. Moreover, at the Fourth Japan-France Foreign and Defense Ministers' Meeting ("2+2") held in January 2018, the two countries confirmed their intention to quickly start the cooperative research on the Feasibility Study for Mine Countermeasure Technological Activities and started the cooperative research in the following June.

In addition, in June 2017, the Maritime Self-Defense Force (MSDF) P-1 Maritime Patrol Aircraft was displayed at the "Paris Air Show 2017," and the ATLA set up an exhibition booth for P-1 aircraft for the first time at an international defense equipment exhibition. The MSDF P-1 patrol aircraft and the ASDF C-2 transport aircraft participated in the "Paris Air Show 2019" held in June 2019.

Q See Part III, Chapter 3, Section 1-2-5 (2) (France)

(3) Germany

Japan and Germany signed the Agreement concerning the Transfer of Defense Equipment and Technology¹³ in July 2017.

Also, in April 2018, the MSDF P-1 patrol aircraft participated in the "Berlin Air Show 2018," and the ATLA set up an exhibition booth related to P-1 aircraft.

Q See Part III, Chapter 3, Section 1-2-5 (6) (Other European Countries)

(4) Italy

In May 2017, Japan and Italy signed the Agreement concerning the Transfer of Defense Equipment and Technology.¹⁴ In January 2019, "Japan-Italy Defense Industry Forum" was held in Europe for the first time, and was followed by the establishment of a framework for director-level meetings on defense equipment/technology cooperation between the two countries.

Q See Part III, Chapter 3, Section 1-2-5 (6) (Other European Countries)

2 Defense Equipment and Technology Cooperation, etc., with Partner Countries in the Asia-Pacific Region

As partner countries in the Asia-Pacific region have

expressed their interest and expectation regarding defense equipment and technology cooperation with Japan, the MOD proactively seeks to build relationships with these countries.

(1) Australia

With Australia, the Agreement between the Government of Japan and the Government of Australia concerning the Transfer of Defence Equipment and Technology¹⁵ was signed in July 2014.

Meanwhile, at the Japan-Australia Defence Ministerial Meeting held in October 2014, it was agreed to seek multifaceted cooperation, including the following: (1) exploration of potential cooperation opportunities in the F-35 program; (2) acquisition reform dialogue with the Defence Material Organisation of Australia; (3) at the request of the Australian side, exploration of the possibility of Japanese cooperation in the Australian Future Submarine Program; (4) defense technology exchanges with the Defence Science and Technology Organization of Australia (in the field of marine hydrodynamics and exchanges among engineers and scientists); and (5) talks between defense industries in both countries. Subsequently, joint research on Marine Hydrodynamics started in December 2015 and ended in November 2019.

Japan demonstrated its technical strength through the participation of the ASDF C-2 transport aircraft in "Avalon International Airshow" held in Australia in February 2019.

The second meeting of the Japan-Australia Steering Committee for Defence Equipment and Technology Cooperation was held in June 2019. At the meeting, the participants deepened discussions on measures for further promotion of defense equipment and technology cooperation between the countries in an effort to move ahead with the cooperation.

Q See Part III, Chapter 3, Section 1-2-1 (Australia)

(2) India

Defense equipment and technology cooperation with India is considered an important field of cooperation based on the special strategic global partnership between Japan and India. At the Japan-India Summit Meeting in December 2015, the Agreement between the Government of Japan and the Government of India concerning the Transfer of Defence Equipment and Technology¹⁶ was signed.

To form the case of defense equipment and technology cooperation, including dual use technologies, the Joint

Chapter

¹² Official name: Agreement between the Government of Japan and the Government of France concerning the Transfer of Defense Equipment and Technology

¹³ Official name: Agreement between the Government of Japan and the Government of the Federal Republic of Germany concerning the Transfer of Defense Equipment and Technology

¹⁴ Official name: Agreement between the Government of Japan and the Government of the Italian Republic concerning the Transfer of Defense Equipment and Technology

¹⁵ Official name: Agreement between the Government of Japan and the Government of Australia concerning the Transfer of Defense Equipment and Technology

¹⁶ Official name: Agreement between the Government of Japan and the Government of the Republic of India concerning the Transfer of Defense Equipment and Technology

Working Group on Defence Equipment and Technology Cooperation have been held five times so far. At the Japan-India Defence Ministerial Meeting held in September 2017, the ministers agreed to commence the discussions for research collaboration. In July 2018, the two countries launched the Cooperative Research on the Visual SLAM based GNSS Augmentation Technology for UGV¹⁷/Robotics.

Progress has been made in discussions on defense equipment and technology cooperation between the two countries, including the second Japan-India Defence Industry Business Forum, which was held in February 2019.

Q See Part III, Chapter 3, Section 1-2-2 (India)

(3) Association of Southeast Asian Nations (ASEAN) Countries

Between Japan and ASEAN member states, exchanges of views have taken place regarding defense equipment and technology cooperation in non-traditional security sectors, such as humanitarian assistance, disaster relief, and maritime security, through the Japan-ASEAN Defense Vice-Ministerial Meetings and other occasions. Participating countries have expressed their expectation for Japan's cooperation in effectively dealing with these issues. In the "Vientiane Vision" announced by Japan at the ASEAN-Japan Defence Ministers' Informal Meeting held in November 2016, it is stated that Japan's defense equipment and technology cooperation with ASEAN countries would be promoted with a focus on the following three points: (1) equipment and technology transfer, (2) human resources development, and (3) holding seminars on defense industries.

As a specific initiative with the Philippines, an official agreement was made on the transfer of MSDF's TC-90 training aircraft to the Philippine Navy at the Japan-Philippines Summit Meeting in September 2016. Based on the agreement, two TC-90s were delivered to the Philippine Navy in March 2017, followed by the delivery of the remaining three TC-90s in March 2018. TC-90 pilot training was conducted for pilots from the Philippine Navy at the MSDF Tokushima Air Base from November 2016 to March 2018. Since April 2017, maintenance and repair assistance by dispatched personnel from a Japanese maintenance

company has been provided. Regarding the transfer, it was confirmed at the Japan-Philippines Defence Ministerial Meeting in June 2018 that parts and maintenance equipment of the UH-1H utility helicopters that became unnecessary for the GSDF would also be granted to the Philippine Air Force. After the signing of an arrangement between the defense officials involved in the transfer in November 2018, delivery of some components to the Philippines started in March 2019 and was completed in September 2019. These two transfers were cases of the application of the provision of the SDF Act enforced in June 2017 that enables the MOD to grant or transfer the equipment which is decommissioned by the SDF to the governments of developing states for a lower price than the current price (See Paragraph 3 below). Further, in January 2019, a framework was established for regular consultations of the Joint Working Group on Defence Equipment and Technology Cooperation.

In November 2017, Japan and Thailand agreed to promote future defense equipment and technology cooperation, including early conclusion of the Agreement concerning the Transfer of Defense Equipment and Technology.

Between Japan and Vietnam, the Terms of Reference (TOR) for regular consultations concerning defense equipment and technological cooperation was signed during the Japan-Vietnam Defense Vice-Ministerial Level Meeting in November 2016. Concerning the specific fields of cooperation, the Memorandum on the Orientation of Promotion of Defense Industry Cooperation was signed during the Japan-Vietnam Defense Ministers' Meeting in May 2019. In addition, at the Japan-Vietnam Leaders' Working Lunch held in July 2019, the leaders agreed on commencing official negotiations for the Agreement concerning the Transfer of Defense Equipment and Technology.

Japan and Malaysia signed the Japan-Malaysia Agreement concerning the Transfer of Defence Equipment and Technology¹⁸ in April 2018.

The MOD will continue to promote cooperation for humanitarian assistance and disaster relief as well as the maritime security area through these initiatives.

Q See Part III, Chapter 3, Section 1-2-3 (Association of South-East Asian Nations [ASEAN])

(4) Middle East

In November 2019, the ASDF C-2 transport aircraft participated in the "Dubai Air Show 2019" held in the United Arab Emirates (UAE). The static display and the flight demonstration of C-2 transport aircraft were held and viewed by His Highness Prince Sheikh Mohammed bin Zayed Al



Video : Defense cooperation with the Philippines for TC-90 URL : https://youtu.be/Qjf-mLvwVqA Chapter

^{17 &}quot;UGV" stands for "Unmanned Ground Vehicle."

¹⁸ Official name: Agreement between the Government of Japan and the Government of Malaysia concerning the Transfer of Defence Equipment and Technology

Nahyan, Crown Prince of Abu Dhabi, and other high-level government officials.

Upon a request from His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan, in August 2019, Japan lent a retired GSDF type-61 main battle tank without charge to Jordan for display at the Royal Tank Museum. Meanwhile, the King offered to donate an armored vehicle developed in Jordan to the Japanese GSDF, which the GSDF received in the same month.

In October 2019, a ceremony for the lending and donation was held at the MOD. At the ceremony our Minister of Defense and Jordanian ambassador extraordinary and plenipotentiary to Japan delivered speeches, and signed and exchanged letters. In November 2019, our ambassador extraordinary and plenipotentiary to Jordan and the Director of the Jordan Royal Tank Museum unveiled the loaned type-61 main battle tank at the museum and a panel for its explanation was set up.

Israel and Japan signed a Memorandum on Protection of Information for the Exchange of Classified Information on Defense Equipment and Technology¹⁹ in September 2019 for appropriate protection of such classified information provided between Japanese and Israeli defense officials.

3 Establishment of Regulations on Equipment Cooperation with Developing Countries

Surrounded by an increasingly severe security environment, it has become even more important for Japan that the nations which have a cooperative and friendly relationship with Japan in terms of security and defense have appropriate capabilities. It is also critical to develop a foundation that will serve as the basis for the international community to cooperate towards improving the security environment. Among these friendly nations, some have difficulties in acquiring an adequate level of defense equipment on their own because of their economic and fiscal situations. Some of these states are requesting to use SDF's equipment which is no longer used. However, Article 9, paragraph (1) of the Public Finance Act²⁰ stipulates that the Government must receive reasonable consideration when transferring or leasing any governmental properties including the SDF's equipment to other countries. Therefore, a grant or a transfer for lower price than the current price is not allowed unless otherwise provided.

Under these circumstances, to respond to the needs of such friendly nations, a special provision to Article 9, paragraph (1) of the Public Finance Act was created in the SDF Act and put into force in June 2017. This provision enables the MOD to grant or transfer the SDF's equipment which is no longer used to the governments of developing states for a lower price than the current price.

Even in the case of granting or transferring equipment for a lower price than the current price pursuant to this provision, whether or not to transfer such equipment, and to which government such equipment to be transferred, will be determined on a case-by-case basis in light of the Three Principles on Transfer of Defense Equipment and Technology and other regulations. In addition, an international agreement must be concluded between the Governments of Japan and the recipient countries to prevent extra-purpose use and third party transfer of the transferred equipment without the prior consent of Japan.²¹



Minister of Defense Kono and Ambassador Annab signing the letters

Chapter

¹⁹ Official name: Memorandum on Protection of Information for the Exchange of Classified Information on Defense Equipment and Technologies between the Ministry of Defense of Japan and the Ministry of Defense of Israel

²⁰ Article 9, paragraph (1) of the Public Finance Act (Act No.34 of 1947)Governmental assets, unless otherwise provided, may not be exchanged and used as other means of payment, or transferred or leased without reasonable consideration.

²¹ As of April 2020, Japan has signed the Agreement concerning the Transfer of Defense Equipment and Technology with the following countries: the United States; the United Kingdom; Australia; India; the Philippines; France; Italy; Germany; and Malaysia. (See Reference 31 [Situations Concerning the Conclusion of Agreements])

Adapting Defense Equipment for External Use

With regard to aircraft involving many technological bases shared between the defense and the civilian sectors, the MOD has been considering the civilian use of aircraft developed by the MOD from the perspective that taking measures to contribute to the revitalization of the civilian sector will contribute to maintaining and activating the industrial bases of Japanese aircraft, and by extension, to maintaining and strengthening the defense industrial base in Japan. In August 2010, the MOD compiled a set of guidelines for the development of a concrete system for the civilian use of aircraft, while in 2011, it also developed an application procedure for private companies interested in civilian use. So far, technical data related to the civilian use of the US-2 amphibian rescue aircraft and the F7-10 engine that are mounted on P-1 maritime patrol aircraft have been disclosed in response to requests from the implementing companies. In December 2016, the ATLA and IHI Corporation, a company manufacturing the F7-10 engine, signed a contract for the civilian use of the F7-10 engine for sales to the Japan Aerospace Exploration Agency (JAXA) for the first time. The engine was delivered to JAXA in September 2019.

Considering that there have been inquiries about equipment other than aircraft not only from the private sector but also from foreign governments since the establishment of the Three Principles for the Transfer of Defense Equipment and Technology, the term was changed from "Adapting Defense Equipment for Civilian Use" to "Adapting Defense Equipment for External Use," and procedure rules were prepared in August 2018 towards project formulation in the future. In 2019, technical data, etc. for adapting defense equipment for external use concerning the automatic flight control computer processing unit for the improved SH-60K and Ship Landing Assist System for SH-60K were disclosed upon applications from companies.

Participation in International Defense Equipment Exhibitions

From the viewpoint of promoting defense equipment and technology cooperation, the ATLA has participated in international defense equipment exhibitions to introduce Japan's defense equipment policies and advanced technology. These initiatives help foreign government officials better understand Japan's equipment policies and technology, and contribute to building bases for the promotion of defense equipment and technology cooperation.

In November 2019, Japan participated in "Dubai Air Show 2019" in the UAE and held the static display and flight demonstration of C-2 transport aircraft, which Japan has developed. During the show, MOD/SDF personnel exchanged opinions with many government officials, including His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, as well as participants from private companies, which contributed to the promotion of defense equipment and technology cooperation.

In the domestic field, "Defence and Security Equipment International Exhibition and Conference: DSEI Japan 2019" was held in Makuhari Messe in November 2019. At the exhibition, the ATLA exhibited real products, models and panels to introduce equipment and technologies which other countries showed interest in: e.g. land equipment such as Type-16 mobile combat vehicles developed in Japan and equipment for PKO and disaster relief activities; small high-power engine technology; marine equipment related



Crown Prince Mohammed visiting the Dubai Airshow to see ASDF's C-2 transport aircraft



The Acquisition, Technology and Logistics Agency's booth at the "Defence and Security Equipment International Exhibition and Conference: DSEI Japan 2019" held in Makuhari Messe in November 2019

to minesweeping; prototypes developed by the ATLA; and systems related to fighter jets. Also, five Japanese SMEs showcased their products and technologies there.

Many domestic and overseas companies and government officials visited the ATLA booth during the show. The visitors and responsible MOD/SDF personnel vigorously exchanged opinions contributing to the promotion of defense equipment and technology cooperation.

Public-Private Collaboration for Appropriate Overseas Transfer of Defence Equipment......

The Public-Private Defense Industry Forum is held with the purpose of promoting defense equipment and technology cooperation with partner countries as a joint effort between the public and private sectors. The aim of this forum is to deepen understanding of the relevant parties and facilitate concrete defense equipment and technology cooperation in the future through explanation of various systems surrounding the defense industry in Japan and each country as well as presentations by each company on their products and technology. Most recently, the forums were held with India in February 2019, and with the Philippines in October 2019.

In FY2020, the MOD will conduct feasibility studies of possible candidates for defense equipment and technology cooperation projects. The public and private sectors will work together on information gathering and dissemination toward the materialization of overseas equipment transfer.

Chapter

2

Preventing Leakage of Key Technologies for Defense Equipment

In promoting defense equipment and technology cooperation internationally, the MOD will work to strengthen (1) intellectual property management, (2) technology control, and (3) information security in order to prevent leakage of key technologies for defense equipment.

Q See Section 4-3-2 (4) b of this Chapter (Preventing Leakage of Key Technologies)