

Fig. II-2-3-5 Annex from the Medium Term Defense Program

Service	Equipment	Quantity
GSDF	Mobile Combat Vehicles	99
	Armored Vehicles	24
	Amphibious Vehicles	52
	Tilt-Rotor Aircraft	17
	Transport Helicopters (CH-47JA)	6
	Surface-to-Ship Guided Missiles	9 companies
	Mid-Range Surface-to-Air Guided Missiles	5 companies
	Tanks	44
MSDF	Howitzers (excluding mortars)	31
	Destroyers (Aegis-Equipped Destroyers)	5 (2)
	Submarines	5
	Other Ships	5
	Total (Tonnage)	15 (approx. 52,000 t)
	Fixed-Wing Patrol Aircraft (P-1)	23
	Patrol Helicopters (SH-60K)	23
ASDF	Multipurpose Helicopters (Ship-Based)	9
	New Airborne Early Warning (Control) Aircraft	4
	Fighters (F-35A)	28
	Fighter Modernization (F-15)	26
	New Aerial Refueling/Transport Aircraft	3
	Transport Aircraft (C-2)	10
Joint units	Upgrade of PATRIOT Surface-to-Air Guided Missiles (PAC-3 MSE)	2 groups & education
	Unmanned Aerial Vehicles	3

Note: Acquisition of ship-based unmanned aerial vehicles will be allowed within the number of Patrol Helicopters (SH-60K) specified above.

7 Other

While maintaining the deterrence of the U.S. Forces, Japan will steadily implement specific measures including the realignment of the U.S. Forces in Japan and SACO

(Special Action Committee on Okinawa) related programs to mitigate the impact on local communities, including those in Okinawa.

Section 4 Three Principles on Transfer of Defense Equipment and Technology

1 Purpose of Establishment of the Three Principles on Transfer of Defense Equipment and Technology

Japan has dealt with arms exports in a careful manner, in accordance with the Three Principles of Arms Exports and their related policy guidelines. On the other hand, in individual cases, such as the joint development of BMD by Japan and the U.S., it has taken separate measures by issuing Chief Cabinet Secretary's statements, where arms exports are dealt with outside the Three Principles.

Amidst this situation, in December 2011, the Statement by the Chief Cabinet Secretary on Guidelines for Overseas Transfer of Defense Equipment, etc. put in place exemptions from the Three Principles of Arms Exports based on the premise of strict control¹, with regard to cases related to peace contribution and international cooperation; and cases regarding international joint development and production of defense equipment, etc. that contributes to Japan's security.

However, when Japan endeavored to arrange the participation of companies within Japan in the international logistics support systems for the manufacture of the F-35,

in December 2013, and when 10 thousand rounds of ammunition owned by GSDF forces engaged in activities as a part of South Sudan PKO (United Nations Mission in the Republic of South Sudan (UNMISS)) were provided to the U.N. based on a request by the U.N. since it was not possible to apply Guidelines for Overseas Transfer of Defense Equipment, etc. for these cases, the measures were taken by issuing Chief Cabinet Secretary's statements not to rely on the Three Principles on Arms Export, etc.

Given these circumstances, based on the National Security Strategy, in April 2014, the Government decided upon the Three Principles on Transfer of Defense Equipment and Technology² and implementation guidelines. These clarify the concrete standards, procedures and limitation better than ever and state them clearly with transparency both internally and externally.

Based on the Three Principles on Transfer of Defense Equipment and Technology, the Ministry of Defense and Self-Defense Forces, in addition to contributing even more

¹ The strict control refers to the duty imposed on recipient countries to gain prior consent from Japan with respect to extra-purpose use and third party transfer, within international arrangements concluded between the Governments of Japan and recipient countries.

² 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 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."

to peace contribution and international cooperation, will also actively cooperate with Japan's ally the United States and other countries in the area of defense equipment and technologies, and more proactively advance the measures

required to maintain regional peace and stability and ensure Japan's defense.

See Reference 17 (Three Principles on Transfer of Defense Equipment and Technology)

2 Main Contents of the New Three Principles

1 Clarification of cases where transfers are prohibited (the First Principle)

The cases where transfers are prohibited are clarified as shown in the reference.

See Fig. II-2-4-1 (The First Principle "The Cases Where Transfers Are Prohibited")

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 such cases as shown in the reference. The Government will conduct strict examination on the appropriateness of the destination and end user, and the extent the overseas transfer of such equipment and technology will raise concern for Japan's security. At the same time, standards of examinations and procedures will be clarified and made transparent, strict examination systems of the Government as a whole including deliberations at the National Security Council are decided to be established. In addition, the

Government will disclose information concerning the cases that were deliberated at the National Security Council.

See Fig. II-2-4-2 (The Second Principle "Limitation to cases where transfers may be permitted")

3 Ensuring appropriate control regarding extra-purpose use or transfer to third parties (the Third Principle)

Overseas transfer of defense equipment and technology will be permitted only in cases where appropriate control is ensured. More concretely, 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 proactive advancement of peace contribution and international cooperation, cases involving participation in the international systems for sharing parts, and cases where parts are delivered to a licensor, appropriate control may be ensured with the confirmation of the control system at the destination.

Fig. II-2-4-1 The First Principle "The Cases Where Transfers Are Prohibited"

Situation	Specific examples
(1) Violation of obligations under treaties concluded and other international arrangements	Chemical Weapons Convention, Convention on Cluster Munitions, Anti-Personnel Mine Ban Convention, Arms Trade Treaty, etc.
(2) Violation of obligations under United Nations Security Council Resolutions	Security Council Resolution 1718 (nuclear issue of North Korea), Security Council Resolution 1929 (nuclear issue of Iran), etc.
(3) Transfer to a nation which is party to a conflict	Countries which are the target of measures taken by the United Nations Security Council to maintain or restore international peace and security in the event of an armed attack.

Fig. II-2-4-2 The Second Principle "Limitation to cases where transfers may be permitted"

Situation	Specific examples
(1) Contribution to the proactive advancement of peace contribution and international cooperation	Overseas transfers that contribute to active promotion of peace contribution and international cooperation, only if the transfers have positive meaning from the viewpoint of peace contribution and international cooperation, and when: A. the recipient is a foreign government, or B. the recipient is the United Nations (UN) System or organizations conducting the activities based on a UN resolution.
(2) Contribution to the security of Japan	Overseas transfers that contribute to Japan's security, only if the transfers have positive meaning from the viewpoint of Japan's security, and that: A. are related to international joint development and production with countries cooperating with Japan insecurity area including the U.S., B. contribute to enhancing security and defense cooperation with countries cooperating with Japan in security area including the U.S., and of the following: (a) defense equipment and technology included in the provision of supplies and services in accordance with an agreement concerning reciprocal provision of logistic support, supplies and services (ACSA), (b) provision of military technology as a part of mutual exchange of technology with the U.S., (c) Provision of parts or services related to a licensed product of the U.S. or provision of repair services etc. to the U.S. armed forces, or (d) defense equipment and technology related to cooperation concerning rescue, transportation, vigilance, surveillance or minesweeping with countries cooperating with Japan in security area, or C. are necessary for supporting activities of the governmental agencies including the Self-Defense Forces (hereinafter referred to as "the SDF etc."), which include the activities of foreign governments or private entities etc. related to the activities of the SDF etc., or for ensuring the safety of Japanese nationals, and that are: (a) temporary export of equipment, return of purchased equipment or provision of technical information related to the activities of the SDF etc. including replacements of items which need repairing with non-defective items, (b) export of equipment for the protection or self-protection of public officials, or (c) export of equipment for the self-protection of Japanese nationals operating in danger areas.