

(Provisional translation)

December 27, 2011

**Statement by the Chief Cabinet Secretary  
On Guidelines for Overseas Transfer of Defense Equipment etc.**

The Government has made a series of careful considerations on the measures to respond to the changes in international environment regarding defense equipment, taking into account the National Defense Program Guidelines for Fiscal Year 2011 and beyond (hereinafter referred to as “NDPG”), which was approved by the Cabinet on December 17, 2010. After the deliberations in today’s meeting of the Security Council, the Government has come to the following conclusion and reported accordingly in the Cabinet meeting. Hereafter, overseas transfer of defense equipment etc. will be conducted in accordance with the following guidelines:

1. The Government has dealt with arms exports in a careful manner, in accordance with the Three Principles on Arms Exports and their related policy guidelines (hereinafter referred to as the “Three Principles”).
2. Meanwhile, the Government, while maintaining the basic philosophy as a peace-loving nation which underpins the Three Principles which seeks to avoid the aggravation of international conflicts, has taken separate measures (hereinafter referred to as “exemption measures”) by issuing Chief Cabinet Secretary’s statements, where arms exports are dealt with outside the Three Principles, in cases that contribute to peace and international cooperation (hereinafter referred to as “peace contribution and international cooperation”), such as international peace cooperation, international disaster relief, humanitarian assistance, responses to international terrorism and piracy, as well as in the joint development program between Japan and the United States on ballistic missile defense.
3. The NDPG states the following on the consideration of measures in response to changes in the international environment regarding defense equipment:

“In contributing to peace and promoting cooperation in international community, there are increasing opportunities to conduct effective

cooperation activities through measures such as the utilization of heavy machinery and other defense equipment carried to the site by the SDF and providing equipment to disaster-stricken countries. Moreover, it has become the mainstream among developed countries to improve the performance of defense equipment and to deal with rising costs of equipment by participating in international joint development and production projects.”

The Government has studied measures to respond to such significant changes, while maintaining the basic philosophy as a peace-loving nation.

4. In today’s international society, its members are expected to engage effectively in international peace cooperation, international disaster relief, humanitarian assistance, and measures against international terrorism and piracy. Against this backdrop, Japan, as a peace-loving nation, must engage more proactively and effectively in peace contribution and international cooperation, while maintaining the basic philosophy of avoiding the aggravation of international conflicts.

At the same time, Japan should carry out assistance in strengthening export control capacity of developing countries more proactively, so as to prevent illegal distribution and proliferation of defense equipment etc., which could jeopardize international peace and stability.

Japan has been carrying out cooperative research and joint development with the United States on defense equipment etc. contributing to Japan’s security. In order to secure Japan’s peace and security as well as international security against the backdrop of the changes in the international community, it has become necessary for Japan to, while further strengthening the partnership with the US, enter into partnership with other countries cooperating with Japan in security area. Taking these elements into account, Japan should, by promoting international joint development and production of defense equipment with these countries, strive to maintain and upgrade production and technological basis for Japan’s defense industry through obtaining latest defense technology and reduce the costs.

5. From these viewpoints, the Government, in line with the ideas behind the individual exemption measures conducted so far, will take comprehensive exemption measures in overseas transfer of defense equipment etc. for cases

related to peace contribution and international cooperation as well as for cases regarding international joint development and production of defense equipment etc. that contributes to Japan's security. Hereafter, the overseas transfer of defense equipment etc. will be dealt with in accordance with the following guidelines.

- (1) On cases related to peace contribution and international cooperation, overseas transfer of defense equipment etc. will be allowed on the premise that a framework to be agreed upon by the Government of Japan and the recipient government will secure strict control where the defense equipment etc. will not be used for any other purpose than the agreed purposes (hereinafter referred to as "extra-purpose use") nor will the defense equipment etc. be transferred to third parties (hereinafter referred to as "transfer to third parties") without the prior consent by the Government of Japan.
- (2) International joint development and production of defense equipment etc. contributing to Japan's security will be conducted with countries in cooperating relationship with Japan in security area and when the joint development and production with such countries contributes to the security of Japan. The overseas transfer of defense equipment etc. will be allowed on the premise that strict control is in place, *i.e.* the countries participating in the projects are obliged to gain prior consent of the Government of Japan when pursuing extra-purpose use or transfer to third parties of the equipment and etc. Such prior consent will not be given unless where such transfer contributes to the security of Japan or to the international peace and security or where Japan's contribution to the international joint development and production remains relatively small, and when the third party has a sufficient system to prevent further transfer.
- (3) As a matter of course, the Three Principles are based on the basic philosophy of Japan as a peace-loving nation that seeks to avoid the aggravation of international conflicts. Therefore, exports other than the above-mentioned cases will continue to be carefully dealt with in accordance with the Three Principles.

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