

Annual Report on the Status of the Approval of Overseas Transfers of Defense Equipment and Technology

November 2024

Ministry of Economy, Trade and Industry

Implementation Guidelines for the Three Principles on Transfer of Defense Equipment and Technology (National Security Council (NSC) Decision 2014) (hereinafter referred to as “the Implementation Guidelines”) require the Minister of Economy, Trade and Industry to prepare an annual report on the status of the approval of overseas transfers of defense equipment and technology. This report summarizes the status of the approval of overseas transfers of defense equipment and technology based on the Foreign Exchange and Foreign Trade Act (FEFTA) for fiscal year 2023 (April 1, 2023, to March 31, 2024).

1. Security export control system

In order to prevent weapons and goods/technology that can be diverted for military use from falling into the hands of nations or terrorists who might conduct activities of concern that threaten the peace and security of their own countries and the international community, major countries including Japan have established an international framework (international export control regime) and are implementing trade controls in cooperation with other countries. Japan implements these security-based trade control measures in accordance with the FEFTA.

2. Overseas transfers of defense equipment and technology

As defense equipment and technology are subject to the security trade control mentioned above, anyone who wishes to transfer defense equipment and technology overseas must obtain permission from the Minister of Economy, Trade and Industry under the FEFTA.

On April 1, 2014, the government formulated the Three Principles on Transfer of Defense Equipment and Technology (Cabinet Decision) (hereinafter referred to as “the Three Principles”) and its Implementation Guidelines as the operational standards for the FEFTA regarding the overseas transfer of defense equipment and technology. The Minister of Economy, Trade and Industry is required to appropriately operate the FEFTA in accordance with the Three Principles and the Implementation Guidelines.

3. The Three Principles and the Implementation Guidelines

Please refer to the documents published by the government.

4. Status of individual permissions for overseas transfers of defense equipment and technology

In FY 2023, the Minister of Economy, Trade and Industry issued 1,196 individual permits for the overseas transfers of defense equipment and technology.

These can be classified according to the types of the Implementation Guidelines as follows:

- 1) “Overseas transfers that contribute to active promotion of peace contribution and international cooperation” : 42 cases
- 2) “Overseas transfers that contribute to Japan’s security” : 1,064 cases
- 3) “Overseas transfers of defense equipment and technology (excluding arms under the Self-Defense Forces Law and technical information thereto) to a country that is subject to aggression in violation of international law, use of force, or threat of force” : 3 cases
- 4) “Overseas transfers whose impact from the viewpoint of Japan’s security is judged to be very small such as return of misdelivered items, export of samples to be returned later and re-export of equipment that was brought into Japan by police officers of a foreign governmental agency” : 86 cases

These details are given in the following table:

Types classified based on the Implementation Guidelines		Number of case
1) Overseas transfers that contribute to active promotion of peace contribution and international cooperation		
A. The recipient is a foreign government		41
<i>Destination : China (41)</i>		
B. The recipient is the United Nations (UN) System, organizations conducting activities based on a UN resolution, organizations conducting activities on a request of international organizations or organizations conducting activities which are requested by a country which is located in the area of the activity and supported by any of the principal organs of the UN		1
<i>Destination : Egypt (1)</i>		
2) Overseas transfers that contribute to Japan's security		
A. Related to international joint development and production with countries cooperating with Japan in security area including the U.S.		52
<i>Destination : United States(39); Indonesia(4); United Kingdom(3); Canada(3); Australia(1); United Kingdom and Italy(1); United Kingdom, Italy, Indonesia and Germany(1)</i>		
B. Contribute to enhancing security and defense cooperation with countries cooperating with Japan in security area including the U.S.		22
(a) overseas transfer of defense equipment and technology included in the provision of supplies and services conducted by the Self-Defense Forces (SDF) in accordance with Japanese laws		0
(b) provision of military technology as a part of mutual exchange of technology with the U.S.		0
(c) provision of defense equipment and technology pertaining to products licensed from countries cooperating with Japan in security area at the request of the license provider country		8
<i>Destination : United States(8)</i>		
(d) provision of repair and other services to countries cooperating with Japan in security area		5
<i>Destination : United States(4); United Kingdom and United States(1)</i>		
(e) overseas transfer of defense equipment and technology related to the followings to countries cooperating with Japan in security area. (i) parts, or (ii) finished products related to cooperation pertaining to rescue, transport, warning, surveillance, and minesweeping		9
<i>Destination : Philippines(9)</i>		
C. Necessary for supporting activities of the governmental agencies including the SDF (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		990
(a) temporary export of equipment, return of purchased equipment or provision of technical information related to the activities of the SDF etc.		990
<i>Destination : United States(765); United Kingdom(61); Germany(31); France(26); Israel(19); Canada(16); Norway(11); Italy(4); Australia(4); Finland(3); Malaysia(3); Netherlands(2); Greece(2); Switzerland(2); New Zealand(2); Sweden(1); Spain(1); Sri Lanka(1); to multiple countries(36)*1</i>		
(b) export of equipment for the protection or self-protection of public officials		0
(c) export of equipment for the self-protection of Japanese nationals operating in danger areas		0

Types classified based on the Implementation Guidelines		Number of case
3) Overseas transfer of defense equipment and technology (excluding arms under the Self-Defense Forces Law and technical information thereto) to a country that is subject to aggression in violation of international law, use of force, or threat of force		3
Destination : Ukraine (3)		
4) Overseas transfers whose impact from the viewpoint of Japan's security is judged to be very small such as return of misdelivered items, export of samples to be returned later and re-export of equipment that was brought into Japan by police officers of a foreign governmental agency		
A. Return of misdelivered items		5
Destination : United States (3); Germany (1); France (1)		
B. others		81
Return of borrowed items		41
Destination : United States (10); Germany (7); Australia (6); France (6); Austria (3); United Kingdom (2); Canada (2); Spain (2); Norway (2); Belgium (1)		
Return of equipment brought into the country		3
Destination : Malaysia (2); Netherlands (1)		
the others		37
Destination : United Kingdom (5); Australia (5); Israel (4); Germany (4); United States (4); France (3); Brunei Darussalam (2); Italy (1); Indonesia (1); Austria (1); Netherlands (1); Qatar (1); Canada (1); Greece (1); Sweden (1); Turkey (1); New Caledonia (1)		
5) Overseas transfers that do not fall under the above types but have been examined as being permitted for overseas transfer based on the Implementation Guidelines 6.2)		1
Destination : Singapore, Sweden, China, Germany and United States (1)		
Total		1,196

*1

Israel and United States(10); United Kingdom and United States(3); Canada and United States(3); Germany and United States(3); Israel and Germany(2); Italy and United Kingdom(2); United Kingdom and Germany(2); United Kingdom and France(2); Republic of Korea and United States(2); Turkey and United States(2); United Kingdom and Australia(1); Singapore and France(1); Singapore and United States(1); Switzerland and United States(1); Israel, United Arab Emirates, Austria and Germany(1)

In addition, the government has previously taken exceptional measures regarding the overseas transfer of defense equipment and technology, not based on the Three Principles on Arms Exports. Since the setting out of the Three Principles, the government has published outlines of cases in which transfer was approved through deliberation at the NSC without taking such exceptional measures.

The relationship between the exceptional measures and overseas transfers is as shown in the table below.

Overview of the exceptional measures	Number of case	Types	Destination
Transfer related to the abandoned chemical weapons projects in China – Statement by the Chief Cabinet Secretary, April 18, 2000	41	1)A.	China
	1	6.2)	Singapore, Sweden, China, Germany and United States
Transfer of personnel engaged in international peace cooperation assignments – Relevant Ministries and Agencies understanding on September 19, 1991 – Partially revised December 7, 2001	1	1)B.	Egypt
Transfer for joint development of improved interceptor missile for BMD – Statement by the Chief Cabinet Secretary, December 24, 2005	23	2)A.	United States
Transfer associated with participation of Japanese industry in the production of the F-35 – Statement by the Chief Cabinet Secretary, March 1, 2013	5	2)A.	United States
Transfer associated with participation of Japanese industry in the production of the Aegis System – NSC deliberation, July 23, 2015	4	2)A.	United States
Transfer of the F100 engine parts produced under license in Japan to the licensor – NSC deliberation, December 18, 2017	2	2)B. (c)	United States

5. Status of bulk export licenses for overseas transfers of defense equipment and technology

In principle, individual permission is required for overseas transfers of defense equipment and technology, but there are exceptions where bulk export licenses are granted for all items in one go if certain conditions are met. The types of bulk licenses and the number of permissions granted in FY 2023 are as follows:

Type of bulk license	Number of case
Bulk Export License for activities of SDF based on the Self-Defense Forces Law, etc. (Validity : 1 year)	2
Bulk Export License for exercises, etc. conducted by SDF (Validity : 1 year)	39
Bulk Export License for service transactions conducted by the Ministry of Defense (Validity : 1 year)	1
Special Bulk License for Return of items, etc. (Validity : 3 years)	2