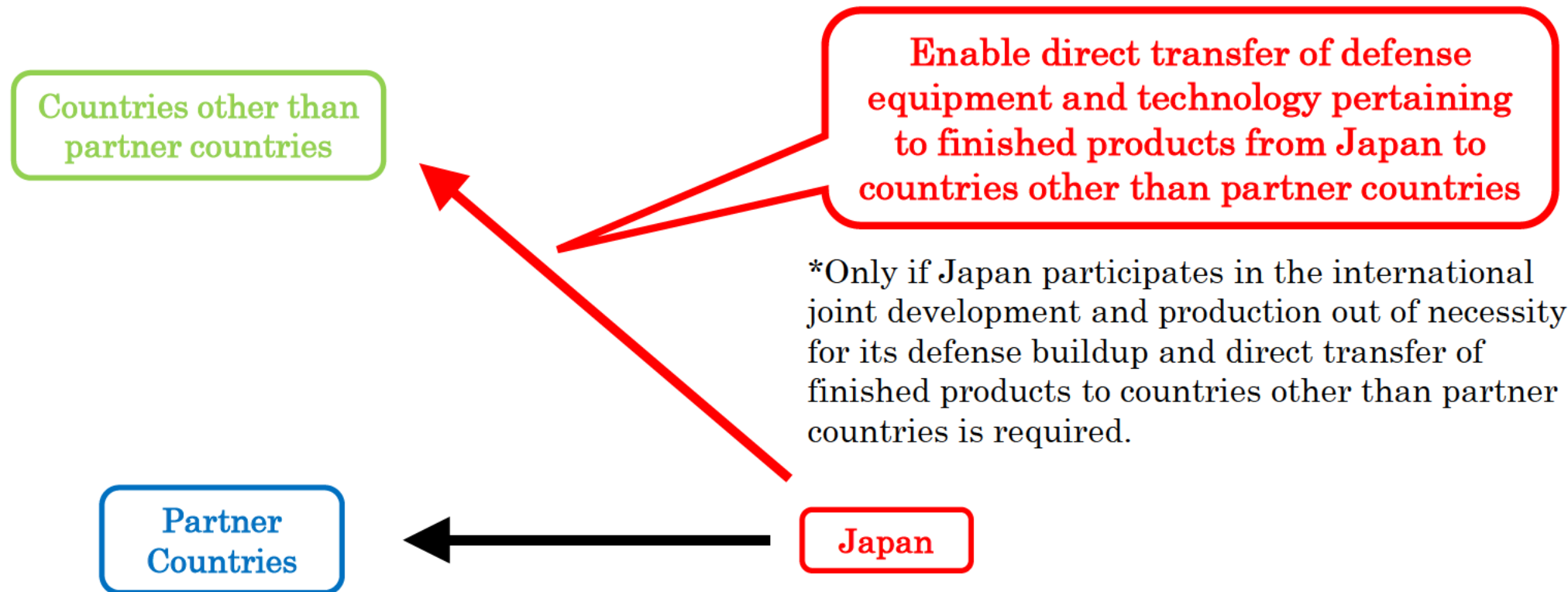


Transfer of finished products from Japan to countries other than partner countries of international joint development and production

- As a result of the amendment of the Implementation Guidelines for the Three Principles on Transfer of Defense Equipment and Technology, the Government of Japan is now able to directly transfer finished products of international joint development and production to countries other than partner countries.

< Image of transfer of finished products to countries other than partner countries from Japan >



Cabinet Decision on direct transfer of finished products of the GCAP from Japan to countries other than partner countries

- As our assumptions regarding the necessity for direct transfer of finished products of Global Air Combat Programme (GCAP) have changed since the adaptation of the Defense Buildup Program by the Cabinet Decision at the end of 2022, the Government made a Cabinet Decision on the policy regarding transfer related to GCAP followed by the amendment of the Implementation Guidelines adopted by the NSC nine ministers meeting.
- Moreover, the Cabinet Decision stipulates that, when the Government of Japan will actually transfer the aircraft from Japan to countries other than partner countries, a Cabinet Decision will be made for each individual case, in addition to the deliberations at the NSC four ministers meeting.

The Cabinet Decision regard to Transfer of finished products regarding Global Combat Air Programme from Japan to countries other than partner countries

The Government of Japan is promoting joint development of next-generation fighter aircraft with the UK and Italy (hereinafter referred to as “the Global Combat Air Programme”), which will play a central role in ensuring Japan's security in accordance with the Defense Buildup Program (adopted by the National Security Council and the Cabinet Decision on December 16, 2022). During its course, the Government of Japan has come to the perception that it is necessary to hold a mechanism to transfer finished products from Japan to countries other than partner countries and secure a position where Japan can contribute to the Global Combat Air Programme on an equal basis with the UK and Italy in order to realize a fighter aircraft that meets the capability requirements necessary under Japan's security environment and does not interrupt the defense of Japan

For this reason, the transfer of finished products regarding the Global Combat Air Programme from Japan to countries other than partner countries can be permitted, and the Implementation Guidelines on the Three Principles on Transfer of Defense Equipment and Technology (adopted by the National Security Council on April 1, 2014. Hereinafter referred to as “the Implementation Guidelines”) are to be amended. In case of actual transfer of finished products related to the Global Combat Air Programme from Japan to countries other than partner countries in the future, each transfer will be judged based on the Three Principles on Transfer of Defense Equipment and Technology (adopted by the National Security Council and the Cabinet Decision on April 1, 2014) and its Implementation Guidelines and a Cabinet decision will be made in addition to the usual deliberations under the Three Principles and its Implementation Guidelines.

Amendment of the Implementation Guidelines

- 2) 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 in security area including the U.S., and of the following:
 - (a) overseas transfer of defense equipment and technology to partner countries for international joint development and production, or
 - (b) provision of parts and services to countries other than partner countries of international joint development and production.
 - (c) Overseas transfers of defense equipment and technology pertaining to finished products to countries other than partner countries of international joint development and production, only if Japan participates in the international joint development and production out of necessity for its defense buildup and direct transfer of finished products to countries other than partner countries is required, as listed below.
 - Global Combat Air Programme, only if Japan and the recipient country have concluded an international agreement obligating the use of defense equipment transferred from Japan in a manner consistent with the purposes and principles of the Charter of the United Nations. However, it excludes transfers to a country where combat is currently deemed to be taking place as part of an armed conflict.

Note: The red text indicates the language that has been revised.

Note1: In the future, if a new project of international joint development and production requiring direct transfer from Japan to countries other than partner countries arises, it will be added to the Implementation Guidelines in a manner that aligns with the GCAP.

Note2: As of March 2024, Agreements concerning the Transfer of Defense Equipment and Technology have been concluded with the following 15 countries : US, UK, France, Germany, Italy, Sweden, Australia, India, Singapore, Philippines, Indonesia, Malaysia, Vietnam, Thailand and UAE.