

# DGAP REPORT

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## Country Report: Japan

### Defense Planning in Transition

Author: **Dr. Ryo Hinata-Yamaguchi** | Editor: **Elisabeth I-Mi Suh**





**Dr. Ryo Hinata-Yamaguchi**  
Research Center for Advanced  
Science and Technology  
University of Tokyo

## BIOGRAPHY OF THE AUTHOR

**Dr. Ryo Hinata-Yamaguchi** is Project Assistant Professor at the Research Center for Advanced Science and Technology at the University of Tokyo and Adjunct Fellow at the Pacific Forum. He has presented, published, and consulted on a variety of topics relating to defense, security, and transport governance in the Indo-Pacific. Ryo can be followed on Twitter at: @tigerrhy.



**Elisabeth I-Mi Suh**  
Security and  
Defense Program

## BIOGRAPHY OF THE EDITOR

As a research fellow at the German Council on Foreign Relations (DGAP), **Elisabeth I-Mi Suh** is leading the project “Risk Reduction and Arms Control in the Asia-Pacific Region.” She is also a PhD fellow at the Institute for Peace Research and Security Policy at the University of Hamburg (IFSH), analyzing North Korea’s nuclear signaling. Previously, Betty worked as guest researcher and research assistant at the German Institute for International and Security Affairs (SWP) and as student assistant at the Peace Research Institute Frankfurt (PRIF).

## ABOUT THE PROJECT

The DGAP’s project on “Risk Reduction and Arms Control in the Asia-Pacific Region” aims to provide a comprehensive analysis of the security dynamics in the Indo-Pacific and East Asia, with a focus on important players including Australia, China, Japan, North Korea, Russia, South Korea, Taiwan, and the United States. The objective is to foster understanding in Germany and Europe of the risk of conflict in the Asia-Pacific and suggest possible steps to mitigate this risk and safeguard stability in and beyond the region. The project starts with taking stock of security developments in the Asia-Pacific. As part of a series, the following report provides a detailed review of Japan’s security and defense policies and partnerships in the current geopolitical context. It concludes with a list of policy recommendations to stakeholders and policymakers.

All information and country reports can be accessed at <https://on.dgap.org/3f35EBO>

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## DISCLAIMER

This report does not contain new empirical findings but assesses primary documents and compiles existing studies, primarily from expert sources. It is tailored for a European audience.

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## EXECUTIVE SUMMARY

Since the 2000s, Japan has worked to strengthen and sharpen its defense strategy and readiness to better deal with the increasingly challenging Indo-Pacific security environment. The developments to date have allowed the Japan Self-Defense Force (JSDF) to become a more effective and proactive force, but the threats posed by China, North Korea, and Russia have also increased dramatically in recent years, calling for new measures expected to be unveiled in Japan's new National Security Strategy (NSS) and National Defense Program Guidelines (NDPG) in late 2022.

Understanding Japan's defense strategy and readiness is vital not simply because the nation is a key global player, but also because of its proactive role in the Free and Open Indo-Pacific initiative that it pursues together with the United States and like-minded states. Equally, it is vital to understand the political, bureaucratic, economic, and historical context that explain the characteristics of Japan's defense planning, but also what it can and cannot do. While the JSDF was established in 1954, it was not until the 2000s that real efforts to sharpen and strengthen its defense posture to deal with the growing threats from China, North Korea, and Russia were made. From 2013, Japan took new steps, particularly by institutionalizing and systemizing its national security with the establishment of the National Security Council and the NSS.

The developments in Japan's defense readiness over the past decade or so have been notable. There have been significant enhancements of the defense of remote islands, strike capabilities, missile defense, and of capabilities for operations in the cyber, outer space, and electronic domains. As Japan works to compose the 2022 NSS and NDPG, several elements are under discussion, including counterstrike capabilities and operations, asymmetric capabilities for sea control and denial, readiness against hybrid warfare, establishment and enhancement of joint commands and operations, and information security. Moreover, some hardliners remain curious with regard to nuclear armament or nuclear sharing with the United States. While either are unlikely to materialize in the immediate term, they do reflect a new tone in the debate concerning national defense.

The developments to date and those going forward pivot on three points: First, Japan has increased its use of the JSDF for national security, moving from minimalist involvement to proactive mobilization in order to defend the nation's strategic frontiers. At the same time, it has enhanced cooperation and

coordination with the United States and like-minded states. Second, it has increased the levels of offensive capabilities and operations to deter and defend against the threats it faces. Third, Japan has significantly enhanced the joint capabilities and operations of the three JSDF branches.

Still, several factors constrain further implementation of the measures needed. First, significant barriers remain not only due to Article 9 of the constitution (the "no war" clause) but also because of rigid bureaucratic structures and processes. Also, the debate on defense remains underdeveloped in Japan. Second, budgetary constraints have long been a problem, and even though Tokyo is working to lift the self-imposed cap of one percent of GDP for defense outlays, financing improvements to the JSDF's readiness will remain a problem in the coming years. Third, there are human resource problems largely due to the nation's demographic crisis, leading to not only a simple shortage of personnel, but also to an uneven distribution of staff among the JSDF branches.

While many of these issues must be addressed domestically, Japan also needs to deepen and expand cooperation with the United States and like-minded countries in Asia and Europe. Work should focus on combined or coordinated strategies and operations, but also compatible standards for information sharing and technological transfers. At the same time, Japan should engage in constructive diplomatic and collective security efforts with regional partners. The goal should be to establish sustainable arms control, improve regional cooperation and conflict prevention, and strengthen the rules-based order.

For European stakeholders, the paper makes three key recommendations: First, deepen and regularize high-level dialogues between Japan and NATO to discuss priorities and plans for the partnership. Both sides should also invite their partner to participate in selected defense exercises. Second, deepen bilateral security relations between Japan and key NATO states and take advantage of the specific characteristics and strengths of the partnerships. Third, expand security partnerships to include exchanges and the joint development of new and emerging technologies. Progress on all three elements is vital if Japan and its European and NATO partners wish to be able to protect their shared interest in democracy, prosperity, and the rules-based order in the Indo-Pacific and the Atlantic.



RUSSIA

MONGOLIA

Beijing

NORTH KOREA

EAST SEA / SEA OF JAPAN

JAPAN

Tokyo

SOUTH KOREA

CHINA

EAST CHINA SEA

Shanghai

OKINAWA ISLANDS

Taipei

TAIWAN

SENKAKU ISLANDS

Hong Kong

2,000 km

INDIA

MYANMAR

LAOS

THAILAND

VIETNAM

Manila

PHILIPPINES

SOUTH CHINA SEA

PACIFIC OCEAN

CAMBODIA

MALAYSIA

MALAYSIA

Singapore

BORNEO

INDIAN OCEAN

PAPUA NEW GUINEA

Jakarta

INDONESIA

ARAFURA SEA

5,400 km

Darwin

1 – JAPAN'S GEOSTRATEGIC LOCATION AND RELEVANT DISTANCES

AUSTRALIA

# Introduction

## KEY PRINCIPLES

As for all states, Japan's security strategies are shaped by the country's location and geopolitical circumstances. Located in the Pacific Ocean off the east of the Eurasian continent, Japan is an archipelago semi-encircled by threatening neighbors at close proximity: China, North Korea, and Russia. Moreover, Japan is located close to two major flashpoints, the Korean peninsula and the Taiwan Strait. For Japan's trade, the safety, security, and stability of the sea lines of communication (SLOC) are vital. While Japan originally concentrated on sea denial in territorial waters, it expanded its focus to the security of sea lanes in the 1970s because of a growing need to protect its trade interests, preempt threats, and serve a greater role in the alliance with the United States and like-minded states. In 2009, Japan passed the Anti-Piracy Measures Law to allow for regular overseas maritime deployments. These were then expanded to broader frontiers under the concept of Free and Open Indo-Pacific (FOIP) in force since 2016.<sup>1</sup>

Yet, while Japan's broad concept of defending against attacks and invasions and protecting trade routes is a standard shared by most states, there are factors that have shaped its strategic principles in particular ways. Above all, there is Article 9 of the postwar constitution, which states that the Japanese people "forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes" and that "prescribes the renunciation of war, the prohibition of war potential, and the denial of the right of belligerency of the state." Soon after the constitution came into force in May 1947, the advent of the Cold War made it necessary to create a national defense apparatus, forcing Japan to rearm itself despite the constitutional provisions. In the end, the government of the time deemed that as a sovereign state, Japan had the right to "possess the minimum armed forces needed" for self-defense based on Article 51 of the UN Charter. This led to the establishment in July 1954 of the Japan Self-Defense Force (JSDF), which consists of the Japan Ground Self-Defense Force (JGSDF),

the Japan Maritime Self-Defense Force (JMSDF), and the Japan Air Self-Defense Force (JASDF).

Although the JSDF shares the features of a military institution, the constitutional constraints have deeply affected both Japan's defense planning and the JSDF's operations. The legal steps taken to remove or moderate the stringent restrictions which obstruct effective mobilization have been incremental and partial. The biggest changes came in the mid-2010s. The first was a revision of the conditions for the use of force. They now stipulate that Japan can employ military means (1) "[w]hen an armed attack against Japan has occurred, or when an armed attack against a foreign country that is in a close relationship with Japan occurs and as a result threatens Japan's survival and poses a clear danger to fundamentally overturn people's right to life, liberty and pursuit of happiness"; (2) "when there is no appropriate means available to repel the attack and ensure Japan's survival and protect its people"; and (3) with the "use of force to the minimum extent necessary."<sup>2</sup>

Japan then passed the "Legislation for Peace and Security" in September 2015, which includes provisions for exercising the right to collective self-defense and for mobilizing the JSDF to deal with "gray-zone" situations that put Japan's national security at stake.<sup>3</sup> Yet although the new bills brought major changes to the legal framework for Japan's national defense, significant restrictions remain due to the constitution.<sup>4</sup>

Japan's postwar constitution has never been amended, and while calls to change the constitution have arguably become louder over the years, the political and social obstacles remain high. Revising the conditions for the use of force and passing the Peace and Security bills was essentially the result of a tug of war between pacifism and realism. All in all, Japan has become more proactive in dealing with security threats but has stopped short of altering the constitution.

Another critical feature of Japan's national security is its alliance with the United States. Both countries first set specific guidelines for their defense partnership in the 1970s, which were revised in 1997. Current guidelines were signed in April 2015, vowing greater commitment to regional security on land, at sea, and in the air as well as in the cyber and outer space do-

1 Ministry of Foreign Affairs of Japan, "Diplomatic Bluebook 2017" (Tokyo, Japan: Ministry of Foreign Affairs Japan, 2017).

2 Japan Ministry of Defense, "Defense of Japan 2020," (Tokyo, Japan 2020).

3 For details on the legislation, see: Japan Ministry of Defense, "Defense of Japan 2017," (Tokyo, Japan 2017).

4 Jeffrey W. Hornung and Mike M. Mochizuki, "Japan: Still an Exceptional U.S. Ally," *The Washington Quarterly* 39, no. 1 (2016).

mains.<sup>5</sup> Although some legal and operational limitations on Japan's role remain, the alliance has nonetheless grown into a more adaptive partnership with greater capabilities to become a centerpiece of security in the Indo-Pacific.

As part of the alliance and in order to safeguard US interests in the Indo-Pacific, the United States currently has approximately 54,000 Army, Navy, Marine Corps, and Air Force personnel as well as about 8,000 defense contractors stationed in Japan – the highest number of bases and personnel hosted by any US ally (Figure 3).<sup>6</sup> The US Forces Japan are headquartered at Yokota along with the Fifth Air Force, while the Navy's Seventh Fleet is based in Yokosuka. Other key bases are located in Misawa, Shariki, Atsugi, Kyogamisaki, Iwakuni, Sasebo, and Okinawa.

Japan's national security is governed by the National Security Council (NSC) (Figure 2). Its defense planning is guided by three documents: the National Security Strategy (NSS), the National Defense Program Guidelines (NDPG), and the Medium-Term Defense Program (MTDP). The first NSS was issued in December 2013 to provide a fundament for Japan's national security for approximately ten years. Based on the NSS, the NDPG define the basic objectives, roles, and missions of the JSDF. While the timeframe of the NDPG is set in accordance with the ten-year-frame of the NSS, it can be revised if necessary. So, although Japan is currently still working under the 2013 NSS, the NDPG has been revised in 2018. The MTDP provides a more specific outline of the capabilities to be acquired to meet the NDPG and to set the maximum defense outlays over a five-year period.

## KEY THREATS

Japan's security strategy and defense planning has become increasingly threat-oriented in the post-Cold War era. While Japan is also sensitive to the issues of transnational crime and terrorism and to instabilities near its sea lines of communication, defense policies are focusing more on the immediate geopolitical threats that the country faces.

China is viewed as the foremost threat to Japan's security due to the rapid modernization of the Chinese air, naval, and nuclear forces, as well as Beijing's assertive actions in the East and South China Seas. The threats China poses for Japan are threefold: forced seizure of Japanese land and maritime territory; conflict with US and Japanese forces as part of China's quest for regional dominance; and forced annexation of Taiwan and attempts to neutralize any intervening forces. One major issue is that Japan is situated within China's continuously expanding anti-access/area denial (A2AD) coverage, which challenges Japan's and the JSDF's ability to effectively deter and repel numerically superior and rapidly modernizing Chinese forces.

For Japan, the threat posed by North Korea has grown exponentially since the 1980s, particularly given the developments in Pyongyang's nuclear weapons and missile programs – North Korea is now capable of directly threatening South Korea, Japan, the US forces deployed to the Indo-Pacific region, and the US mainland. Moreover, North Korea has accelerated its efforts to modernize its military in recent years. Specifically, the notable progress in both strategic and tactical nuclear weapons as well as cyber and electronic warfare suggests not only an enhancement of the country's capabilities, but also the formulation of new strategies for hybrid warfare. While there are still major deficiencies in operational readiness such as logistics, personnel, and education and training, the trajectory of the developments warrants attention.<sup>7</sup>

Japan also considers Russia to be a threat, and there are renewed concerns since Russia's invasion of Ukraine. Japan has unresolved territorial disputes with Russia over the four islands in the Kuril Island chain that Russia has unilaterally occupied since 1945. Moscow's deployment of combat aircraft and anti-ship missiles to Etorofu and Kunashiri islands in recent years as a means of area denial against Japan and the United States is also causing concern.<sup>8</sup> Moreover, Japan is worried about getting entangled in the conflict between Russia and the West, particularly since the invasion of Ukraine, which could lead to US forces in Japan, or even Japan itself becoming a target of attacks and disruptions.<sup>9</sup>

5 Japan Ministry of Defense, "The Guidelines for Japan-US Defense Cooperation," (Tokyo: Japan: Japan Defense Agency, April 27, 2015).

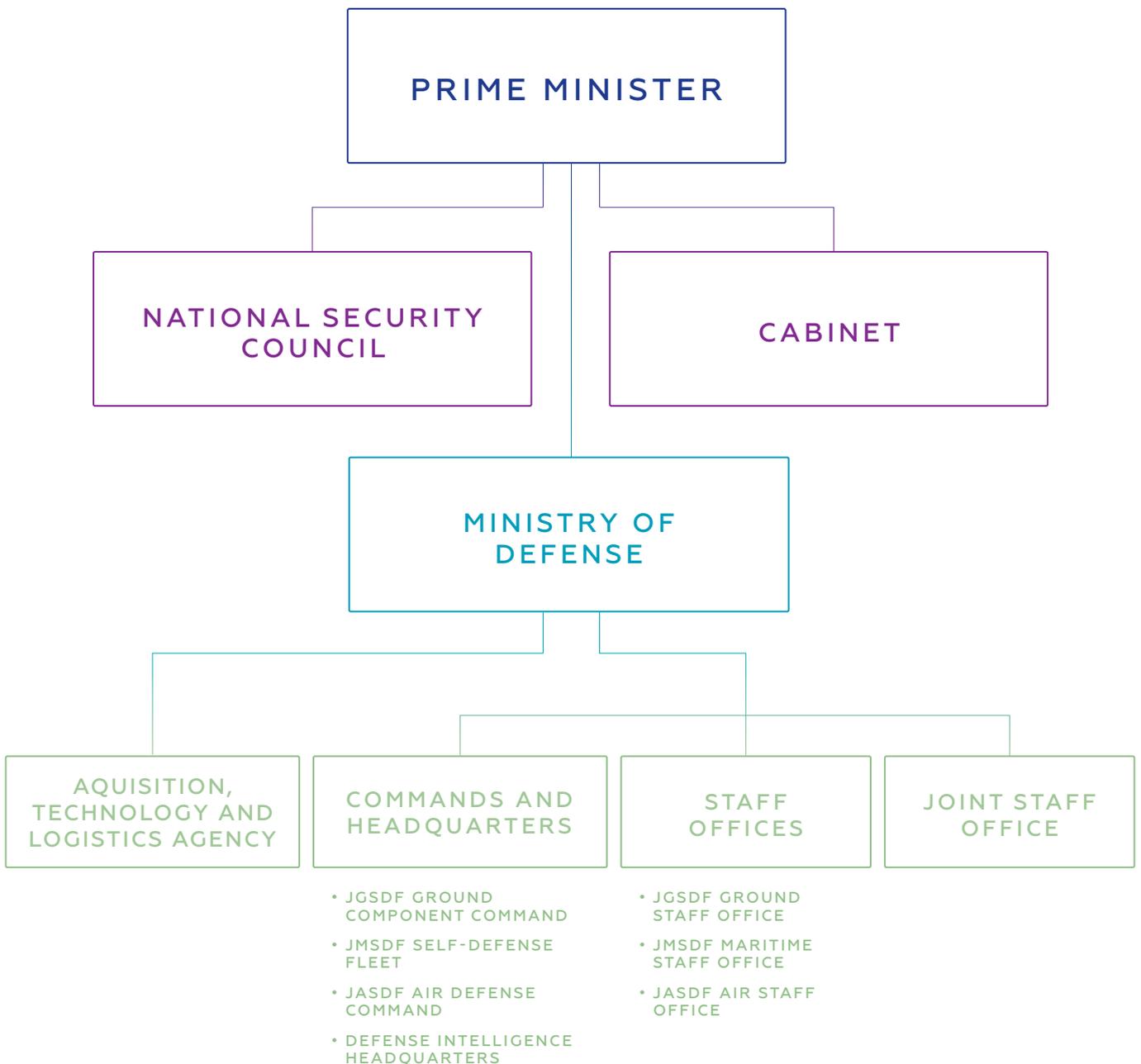
6 U.S. Forces Japan, "Guidance from the Commander, U.S. Forces Japan," <https://www.usfj.mil/About-USFJ> (Accessed August 29, 2022).

7 See: Ryo Hinata-Yamaguchi, *Defense Planning and Readiness of North Korea: Armed to Rule* (Oxfordshire, UK and New York, NY: Routledge, 2021).

8 Yu Koizumi, "Russian Military Modernization in the Northern Territories and Its Implications for Japanese Foreign Policy," Sasakawa Peace Foundation International Information Network Analysis (May 31, 2021), [https://www.spf.org/iina/en/articles/koizumi\\_01.html](https://www.spf.org/iina/en/articles/koizumi_01.html) (Accessed September 16, 2022).

9 Ibid.

## 2 – JAPAN’S COMMAND CHAIN



Source: Japan Ministry of Defense, "About Ministry," <https://www.mod.go.jp/en/about/index.html> (Accessed July 29, 2022).

The problem is not just about the threats, but also about the trends that aggravate them. First, there are growing concerns over coordination and cooperation between China, North Korea, and Russia. China and Russia have moved to a closer partnership in recent years, including increases in coordinated aerial and naval transits and combined drills near Japan and South Korea. In addition, both China and Russia intensifying their relations with North Korea and providing that country with diplomatic protection (e.g., vetoing tougher UN sanctions). Even though there are questions about how far the relationship can advance, Japan is worried that a more coordinated front could embolden Pyongyang in its bellicose maneuvers.

Second, there are trends relating to the advancements in new and emerging technologies that increase the threats.<sup>10</sup> Hypersonic and laser weapons, robotics, and the application of information and communications-based technologies such as cyber, artificial intelligence and quantum computing are starting to make their impact on military and hybrid warfare capabilities. Moreover, states' efforts to attain technological superiority and economic security have not only intensified geopolitical tensions but have also exacerbated the disruption to global supply chains.

Third, hybrid warfare that utilizes both conventional and unconventional forms of attacking or exploiting opponents has become a norm. It is also becoming more complex due to the ever-growing significance of cyber technologies which are employed to disrupt online infrastructures and to incite internal and external public opinion against Japan's actions. As an initial stage of hybrid warfare, "gray-zone" conflicts are already taking place. This is a sign that deterrence has failed and that Japan is becoming increasingly vulnerable.<sup>11</sup>

The problem is that Japan not only faces constraints regarding the political, fiscal, and human capital needed to effectively deal with the complex and fluid developments that are shaping the regional security environment. It also has a political and bureaucratic tradition of executing changes incrementally. Correcting Japan's shortfalls is far from easy, as it in-

volves tackling extremely sensitive issues including constitutional and legal reforms and the budget as well as major revisions to its national security policies and strategies. While Japan has taken some steps forward in recent decades, the pace is far slower than warranted by the developments taking place in the Indo-Pacific region and beyond.

## Japan's Defense Planning in Transition

Japan's defense planning process has undergone significant changes since the establishment of the JSDF in 1954.<sup>12</sup> For the first decades, Japan focused on building its defense force. It was not until 1976 that it issued its first National Defense Program Guidelines (NDPG) based on the concept of a Basic Defense Capability.<sup>13</sup> The concept took a minimalist approach, limiting the JSDF to capabilities essential for deterring and defending against attacks and invasions. Yet with the growing threats from China and North Korea, Tokyo began to take new steps by revising the NDPG in 1995 and 2004 to make Japan more proactive in both its defense posture and international security role.<sup>14</sup> Some structural adjustments were also made, particularly with the Japan Defense Agency becoming the Ministry of Defense in January 2007. Reorganizing the Joint Staff Council into the Joint Staff Office in March 2006 marked an important improvement in joint command and control.

Developments accelerated in the 2010s when efforts to upgrade Japan's defense became part of a bipartisan agenda. After the Democratic Party acceded to

10 Japan Ministry of Defense, "R&D Vision: Toward Realization of Multi-domain Defense Force and Beyond" (Tokyo, Japan: Ministry of Defense, 2019).

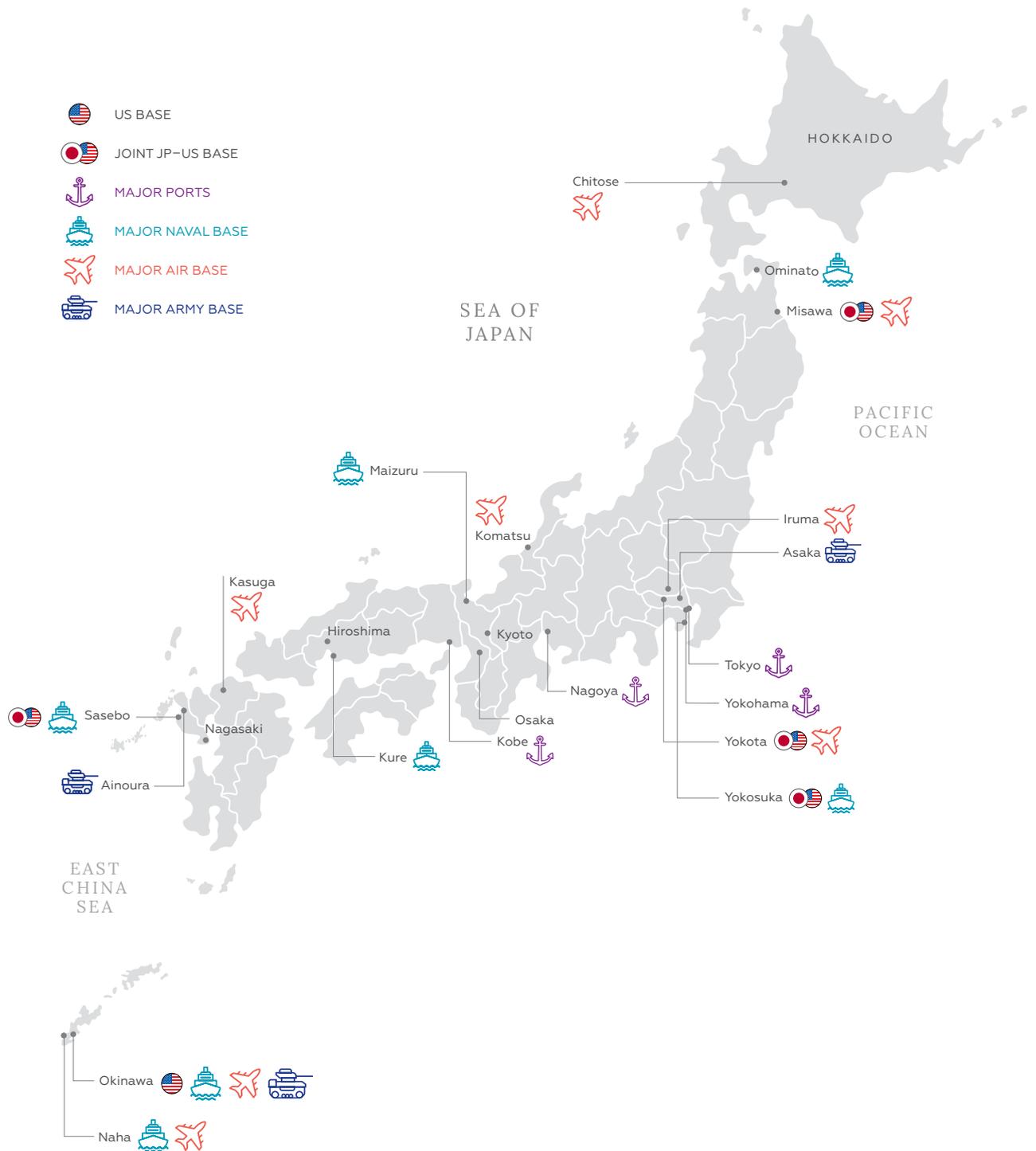
11 Aihito Yamashita, "grezonjitaieho taiouhouhoutoshiteno kikikanri-sono yuukouseito genkai" [Crisis Management as a Means to Respond to 'Gray-zone Situations'], *eapawa kenkyuu* [Air Power Studies] 3 (2016).

12 For discussions on the background of Japan's rearmament and the political issues during the late 1940s and early 1950s, see: Sheila A. Smith, *Japan Rearmed: The Politics of Military Power* (Cambridge, MA: Harvard University Press, 2019).

13 Yasuaki Chijiwa, "anzen hoshou to boueiryokuno sengo shi: kibanteki boueiryoku kousou no idai" [Unintended Consensus: A History of Postwar Japan's Defense Concept] (Tokyo, Japan: Chikura Shobou, 2021).

14 Ibid.; Akihiro Sadoh, "jietaishi: boueiseisakuno 70nen" [History of the JSDF: 70 Years of Japan's Defense Policies] (Chikuma Shinsho, 2015). Japan Defense Agency, "Defense of Japan 2005," (Tokyo, Japan: Japan Defense Agency, 2005).

### 3 – MAJOR SEA PORTS AND MILITARY BASES IN JAPAN



Source: US Military Bases in Japan, <https://militarybases.com/overseas/japan> (Accessed July 29, 2022) and author's own compilation.

power in September 2009, the new government issued a revised NDPG in December 2010 that committed the government to improving the JSDF's "readiness, mobility, flexibility, sustainability, and versatility."<sup>15</sup> One key feature of the 2010 NDPG was a greater focus on the defense of remote territories particularly in the southwest island chain. This clearly aimed to counter China's assertive actions in the area. When the Liberal Democratic Party (LDP) returned to power in December 2012, the Abe Shinzo administration took the next steps: Most significantly, it established the NSC and the NSS that allowed Japan's strategic planning to become more structured, integrated, and procedural. In accordance with the new NSS, the Abe administration unveiled the new NDPG as well as a Medium-Term Defense Program (MTDP) that placed particular emphasis on improving the capability for joint action of the three JSDF branches.<sup>16</sup> It also aimed for better capabilities to address "gray zone" situations.

To improve Japan's national security, the Abe administration also moved to make the JSDF capable of mobilizing more proactively, particularly with the "Legislation for Peace and Security" introduced in 2015.<sup>17</sup> Combined with the revision of the Guidelines for Japan-US Defense Cooperation, Japan's national defense and role in the alliance with the United States was becoming more "normal." That said, many constraints remain, for example what Japan can actually do when the United States or friendly forces are under attack in areas beyond Japanese territory.<sup>18</sup> Overall, the steps taken by Japan are significant only when measured against the nation's earlier

defense policies but continue to be highly restricted when compared to other states.<sup>19</sup>

Despite the significant improvements under the 2010 and 2013 NDPGs, questions remained about the best way forward to effectively deter and defend against the growing threats from China and North Korea.<sup>20</sup> In December 2018, Japan introduced a revised NDPG that emphasized "multi-domain readiness in the ground, maritime, air, cyber, outer-space and electromagnetic domains; seamless mobilization; and cooperation with the US and likeminded states."<sup>21</sup> Moreover, the 2018 NDPG placed greater emphasis on new and emerging technologies, calling for the expansion of the defense industrial base by networking with a variety of businesses and experts in the field.<sup>22</sup> While the 2018 revision essentially only produced an updated version of the 2013 NDPG, the discussions surrounding it indicated that Japan's defense planning was moving in a more pragmatic and proactive direction.

To fill the gaps in Japan's defense strategies and readiness against the ever-growing security challenges, the incumbent Kishida Fumio administration is working to revise the NSS and NDPG by the end of 2022.<sup>23</sup> The ruling LDP submitted its recommendations in April 2022 which included proposals to significantly increase defense spending, acquire counterstrike capabilities, and upgrade preparations for hybrid warfare (see figure 4).<sup>24</sup> While the exact details of the 2022 NSS and NDPG are still unclear, it is worth looking at several elements that are under discussion in more detail.

15 Japan Ministry of Defense, "National Defense Program Guidelines for FY 2011 and Beyond," (December 17, 2010).

16 Japan Ministry of Defense, "National Defense Program Guidelines for FY 2014 and Beyond," (December 17, 2013).

17 For details on the legislation, see: Japan Ministry of Defense, "Defense of Japan 2017."

18 See: Yuki Tatsumi, "4 Takeaways from the New US-Japan Defense Guidelines," *The Diplomat* (April 29, 2015), <http://thediplomat.com/2015/04/4-takeaways-from-the-new-us-japan-defense-guidelines> (Accessed August 29, 2022).

19 Hornung and Mochizuki, "Japan: Still an Exceptional U.S. Ally," (see note 4).

20 For recommendations by the LDP, see: Liberal Democratic Party, "dandoumisairuboueino jinsokukatsu bappontekina kyokani kansuru teigen [Recommendation on the Rapid and Fundamental Strengthening of Ballistic Missile Defense]," (March 30, 2017); Liberal Democratic Party, "aratana boueikeikakuno taikou oyobi chuukiboueiryokuseibikeikakuno sakuteini muketa teigen: "tajigenoudan 'cross-domain' boueikousou" no jitsugenni mukete" [Recommendations for the Formulation of the New National Defense Program Guidelines and the Medium Term Defense Program: Toward the Realization of "Cross-Domain Defense Concept"]" (May 29, 2018)

21 Japan Ministry of Defense, "National Defense Program Guidelines for FY 2019 and Beyond," (December 18, 2018); Japan Ministry of Defense, "Medium Term Defense Program (FY2019 - FY2023)," (December 18, 2018).

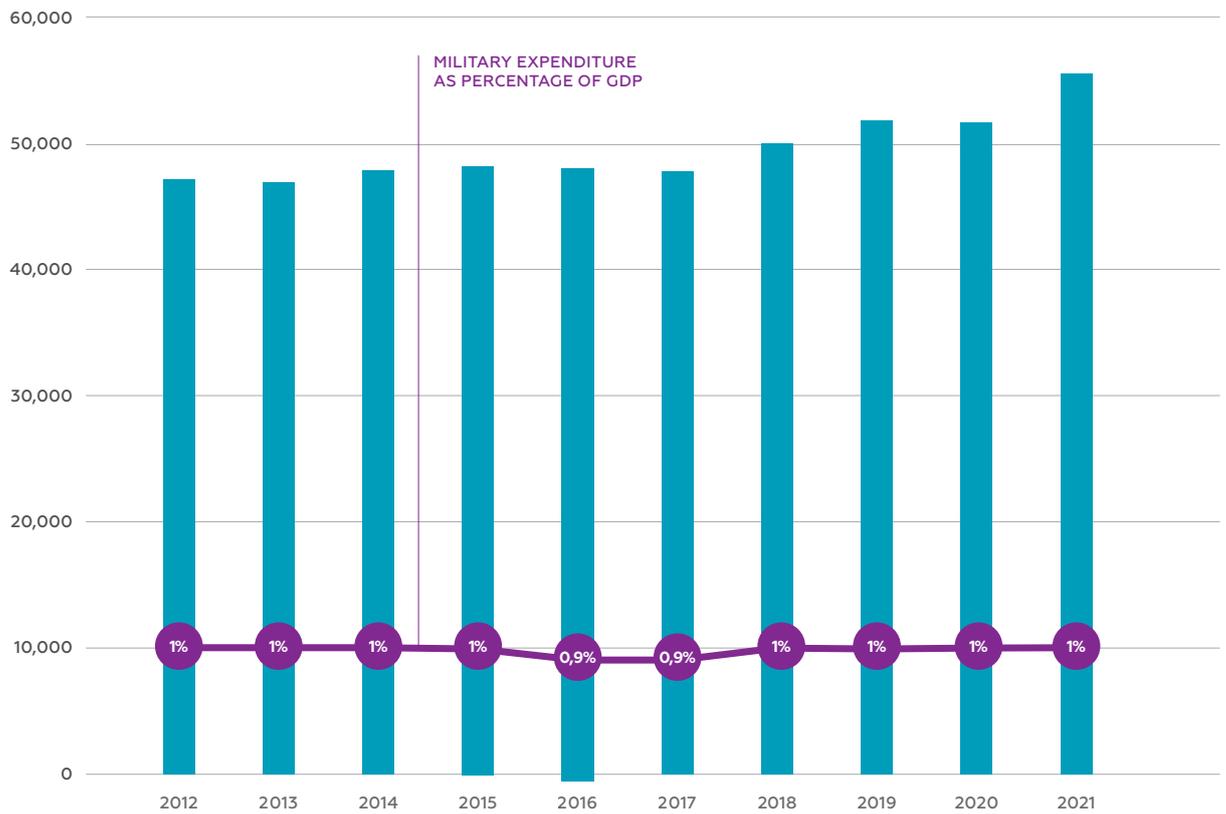
22 Japan Ministry of Defense, R&D Vision (see note 10).

23 Prime Minister of Japan and His Cabinet, "Press Conference by the Prime Minister on a Meeting of the National Security Council and Other Matters," Speeches and Statements by the Prime Minister (October 19, 2021), [https://japan.kantei.go.jp/100\\_kishida/statement/202110\\_00015.html](https://japan.kantei.go.jp/100_kishida/statement/202110_00015.html). (Accessed August 29, 2022)

24 See: Liberal Democratic Party, "aratana kokkaenzenhosyousenryakunadono sakuteini muketa teigen: yori shinkokuka suru kokusaijouseikani okeru wagakuni oyobi kokusaisyakaino heiwato anzenwo kakuhosurutameno boueiryokuno bapponteki kyokano jitsugenni mukete" [Recommendations for the Formulation of the New National Security Strategy: Toward the Fundamental Reinforcement of Defense Capabilities to Ensure the Peace and Security of Japan and the International Community amid Increasingly Challenging International Circumstances]," (April 26, 2022).

## 4 – JAPAN’S MILITARY EXPENDITURE

MILITARY EXPENDITURE IN CONSTANT (2020) US\$ M.



Source: SIPRI Military Expenditure Database, <https://milex.sipri.org/sipri>

### COUNTERSTRIKE CAPABILITIES FOR DETERRENCE

Counterattack operations and capabilities by JSDF as a means of deterrence by denial are arguably the hottest topic of debate for the forthcoming NSS and NDPG. Specifically, the topic under discussion is whether the JSDF should be able to conduct limited counterattacks if Japan comes under attack – the consensus being that for large-scale strategic strikes, the country will continue to remain dependent on the United States. The argument for enabling counterattacks is that ballistic missile defense systems may be overwhelmed by the increasingly massed and sophisticated missile threats from China,

North Korea, and Russia, therefore requiring an offensive element to deter attacks and reduce the adversary’s capacity for follow-on strikes.

The legal grounds for such action were established as far back as February 1956, when the Hatoyama Ichiro administration determined that striking enemy bases was constitutional if no other means of defense were available.<sup>25</sup> However, actual implementation has been slow, not simply because of political sensitivities but because of questions about the costs and effectiveness of such operations and capabilities.

Still, capabilities for counterstrike are under development now, designed to be utilized for both

25 Statement made by the Director General of Japan Defense Agency, Funada Naka, on behalf of Prime Minister, Hatoyama Ichiro, “dai24kai kokkai shugin naikakuinkai giroku dai15go” [Minutes of the 24th House of Representatives Cabinet Committee No.15], 1956 , p. 241.

remote island defense and counterattacks.<sup>26</sup> The 2023 defense budget request proposes plans for longer-range standoff missiles including hypersonic systems.<sup>27</sup> Yet the problem is less about the assets than about the potential targets, particularly if counterstrikes are to be limited to enemy missile bases. Most of China's, North Korea's, and Russia's missiles are launched from mobile platforms rather than missile bases, and there are other means that those states employ, such as hybrid warfare. Thus, effective counterstrikes would require Japan to also target the adversary's command and control and missile-relevant infrastructures. The problems, of course, are not only the missile gap and the risks of escalation, but also the procurement costs and the degree to which Japan would need to work with the United States to gain intelligence and support.

## ASYMMETRIC CAPABILITIES AND HYBRID WARFARE

One area that calls for greater attention concerns the asymmetric capabilities that would be critical to Japan's ability to deter and defend against adversaries and competitors in the maritime domain. To ensure sea control and denial, JMSDF needs to not only boost its inventory and presence, but also its ability to slow down and penetrate the vulnerabilities of the numerically superior PLA Navy (PLAN) via submarine, mine, and electronic warfare. Moreover, Artificial Intelligence (AI) and robotics would be extremely useful for asymmetric capabilities. For example, unmanned air/surface/underwater vehicles would not only be effective to fill the quantitative gap against the PLAN, but also to offset the logistical burdens for the JMSDF.

Greater attention is also needed for hybrid warfare which blends political, military, information, and various other forms of operations. While the notion of hybrid warfare has existed for some time, it is receiving far more attention since Russia's invasion of Ukraine. Given that China and North Korea employ similar strategies as Russia, it is critical for Japan to enhance its ways of dealing with such threats. To that end, it needs a wide spectrum of capabilities including means of defense, law enforcement, coercive diplomacy, espionage, economic security, and information and psychological warfare.

## ESTABLISHMENT OF JOINT COMMANDS

Another, if not the most urgent point on the agenda, is improving cross-service cooperation and readiness among the three JSDF branches. Indeed, Japan has taken notable steps toward greater jointness over the past 15 years with the establishment of the Joint Staff Office in March 2006, an inter-branch liaison officer system, and several joint commands such as the Intelligence Security Command and more recently the Cyber Defense Command. In addition, the JSDF has also made improvements in joint Command, Control, Communications, Computers, Information/Intelligence, Surveillance, Targeting Acquisition and Reconnaissance (C4ISTAR) systems such as tactical data link systems and cloud technologies.

Yet despite the developments, the JSDF still lacks permanent joint commands for specific regions and operations. The result is that personnel at the Joint Staff Office, who serve both as managers and commanders, are overburdened. This undermines effective and efficient readiness for operations and needs to be addressed. Moreover, the JSDF will need to formulate joint operational and tactical doctrines that are contextualized to specific regions and operations.

## INFORMATION SECURITY

Japan will also need to tighten information security and establish a system compatible with technology used by the United States and its allies. Certainly, measures concerning information security are likely to trigger controversies over privacy and individual rights. Nevertheless, a systematic and internationally compatible information security regime is essential not only for Japan to be part of more robust intelligence-sharing pacts (e.g., Five-Eyes) but also for joint research and development (R&D) and defense acquisitions.

## NUCLEAR DISCUSSIONS

A particularly sensitive debate that relates to Japan's potential counterattack operations and capabilities concerns the acquisition of nuclear weapons. In recent years, as the threats posed by China, North

26 Some experts like Murano Masashi have also called for medium-range ballistic missiles. See: Masashi Murano, "The Modality of Japan's Long-Range Strike Options," ed. Jonathan D. Caverley and Peter Dombrowski, Policy Roundtable: The Future of Japanese Security and Defense (Texas National Security Review, October 1, 2020), <https://tnsr.org/roundtable/policy-roundtable-the-future-of-japanese-security-and-defense> (Accessed August 29, 2022).

27 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2023 Budget Request" (Tokyo, Japan, 2022), p. 8.

Korea, and Russia have become more acute, there has been a call to at least discuss the prospects and issues of nuclear armament. Since Russia's invasion of Ukraine, this debate has gained momentum. The focus is on NATO's nuclear sharing arrangement in Europe and the pros and cons of replicating such an arrangement in Japan.<sup>28</sup>

In contrast, Japan has taken no real steps toward pursuing its own nuclear weapons program, particularly under the incumbent Prime Minister Kishida who has vowed to play a role in building a "world without nuclear weapons."<sup>29</sup> While the constitution itself does not specifically outlaw nuclear weapons, the Japanese government has abided by the political resolution of the "Three Non-Nuclear Principles" that prohibit the possession, production, and permission of nuclear weapons in Japan. These principles make nuclear armament such a sensitive topic that even proponents of a stronger national defense posture are shy to propose any such thing. Moreover, there is also the alliance factor: Nuclear armament could be seen as Japan shifting away from the United States' nuclear umbrella. Any such move could damage trust between Tokyo and Washington.<sup>30</sup>

## Developments in JSDF's Readiness

Irrespective of the constitutional restrictions, the JSDF possesses some of the most technologically advanced capabilities in the world. Generally, capability developments have been incremental rather than rapid and largely qualitative rather than quantitative. In most cases, the JSDF's capability developments have taken place through acquisition of new platforms as well as by extending the lifecycle of platforms already deployed. Moreover, Japan has also reconfigured its order of battle with regard to the

primary threats, most recently seen with the shifting of many assets from the northeastern areas near Russia to the southwest that is closer to China.

Japan's defense capability developments are also shaped by the role of its domestic defense industry. When the JSDF was founded, almost all the platforms were imported or leased from the United States, including some pre-1945 systems. Yet from the mid-1950s, as the heavy industry sector and capacity for high-end technologies grew, Japan began to produce JSDF systems domestically. It also started to conduct indigenous research and development through the Acquisition, Technology and Logistics Agency (ATLA) and in some cases, joint development with US armaments companies.

Today, the vast majority of the JSDF's equipment is either domestically produced, produced under license by domestic companies, or built via knockdown production. However, while this degree of independence certainly has advantages, particularly from the domestic economic and industrial viewpoint, costs are often significantly higher than for off-the-shelf purchases, which inevitably affects Japan's defense planning. Moreover, Japan's domestic defense industry is almost wholly limited to the domestic market. Its attempts at exports have been largely unsuccessful due to the high costs of systems as well as the absence of regulatory structures for arms exports.

### AIR/SEA DENIAL

The emphasis on air and sea denial to stop the adversary from accessing and exploiting areas of importance has led Japan to continued efforts to modernize the assets of the JASDF and the JMSDF (see figure 5). In the naval domain, the JMSDF originally concentrated on the ability to ensure sea denial navy. In the latter years of the Cold War, it also began to pursue sea control capabilities in order to defend critical sea lanes. The 2018 NDPG set the objective of a naval force comprised of 54 destroyers, 22 submarines and 12 patrol vessels – all of which are to be domestically constructed.<sup>31</sup> While the conversion of the Japan Marine United Izumo-class helicopter

28 Ryuto Imao and Miki Nose, "Abe Reiterates Nuclear-sharing Discussion is Necessary," *Nikkei Asia* (March 3, 2022), <https://asia.nikkei.com/Politics/Abe-reiterates-nuclear-sharing-discussion-is-necessary>.

29 Fumio Kishida, "General Debate Speech by Prime Minister Kishida Fumio at the Tenth Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)," news release, 1 August 2022, [https://japan.kantei.go.jp/101\\_kishida/statement/202208/\\_00001.html](https://japan.kantei.go.jp/101_kishida/statement/202208/_00001.html). (Accessed August 2, 2022).

30 Junya Kuchimoto, "kakukyouyuu, anpojou demeritto ooku meikaidai kotani tetsuo kyoujuni kiku [Nuclear-Sharing has Many Demerits for Security: Interview with Professor Kotani Tetsuo]," *Chugoku Shinbun* (13 March 2022), <https://www.chugoku-np.co.jp/articles/-/142231>. (Accessed May 1, 2022).

31 Japan Ministry of Defense, "National Defense Program Guidelines for FY 2019 and Beyond." (see note 21), p.33.

destroyers to launch STOVL jet aircraft have gained greater attention, arguably more important developments are happening in submarines with the commissioning of the Soryu and Taigei-class submarines produced by Kawasaki Heavy Industries (KHI) and Mitsubishi Heavy Industries (MHI). Moreover, the JMSDF has also operationalized the Mogami-class frigates with multi-role capabilities for anti-air/ship/submarine and mine warfare that are critical for sea denial. With regards to naval aviation – which plays a key role in maritime patrol, anti-submarine, and mine warfare – the JMSDF is in the process of replacing the KHI P-3C with the indigenously produced KHI P-1. All of the JMSDF's destroyers and frigates are capable of accommodating and launching the MHI SH-60J/K, and some of the larger vessels can handle the KHI MCH-101.

For air denial and defense, the JASDF fleet has F-15J, F-2, and F-35 combat aircraft for anti-air and anti-ship operations. All the current tactical combat aircraft are produced by MHI. Regarding the F-35, Japan plans to operate approximately 105 F-35As and 42 STOVL F-35Bs. The JASDF combat fleet is supported by airborne early-warning systems imported from the United States, including the Northrop Grumman E-2C/D and RQ-4 Global Hawk as well as Boeing's E-767 and KC-46A aerial-refueling aircraft. Moreover, there have been major re-configurations in the JASDF order of battle in recent years to deal with the growing threats in the southwest. The most notable changes concern the establishment of the 9th Air Wing based in Naha Airbase, Okinawa, in January 2016, the reorganization of the Airborne Warning and Control Wing in March 2020, and plans to base the F-35B at Nyutabaru Airbase, Miyazaki.

Japan is also working to utilize (AI) and robotics for operations in the maritime and air domains to expand and enhance its capabilities while reducing the burden in terms of human resources. Japan is already pressing ahead with plans to utilize unmanned underwater vehicles and aerial systems.<sup>32</sup> AI is also expected to play a role in C4ISTAR, and there are reports that the JMSDF will equip the P-1 maritime patrol aircraft with AI systems.

## DEFENSE OF REMOTE ISLANDS

Since the 2010 NDPG, Japan's defense planning has put greater focus on the defense of remote islands particularly in the southwestern region. This has had a significant impact on the planning and operations of the JSDF. Above all, there are notable developments in amphibious capabilities. In the JGSDF, the Western Army Infantry Regiment established in 2002 adopted attributes of a marine corps by reorganizing into the Amphibious Rapid Deployment Brigade in 2018. As for platforms, the JGSDF has operationalized MHI Type-10 main battle tanks, BAE Systems AAV-7 assault amphibious vehicles, MHI Type-16 mobile combat vehicles, and light armored vehicles. It also upgraded the Komatsu Type-96 armored personnel carriers. Lift capabilities were enhanced, particularly with the Osumi-class landing ships by Mitsui and Tamai that have a capacity for two Landing Craft Air Cushions, IHI Hyuga- and Izumo-class helicopter destroyers that can launch transport aircraft like the KHI CH-47J helicopters and tilt-rotor Bell Boeing V-22, as well as the new KHI C-2 fixed-wing transport aircraft.

## STRIKE CAPABILITIES

Japan has also invested in developing defensive strike capabilities as a means of denial to protect remote islands and possibly also for counterstrikes should Japan come under attack. Much attention is going to anti-air and anti-ship capabilities with the Mitsubishi Electric Corporation Type-03 and Toshiba Type-11 surface-to-air and Type-88 and Type-12 surface-to-ship missiles by MHI that are deployed to, or near the southwestern island chain. In December 2017, Japan also announced a decision to acquire Lockheed Martin AGM-158 Joint Air-to-Surface Standoff Missiles (JASSM-ER) for the F-15J and Kongsberg Defence and Aerospace Joint Strike Missiles (JSM) for F-35s.<sup>33</sup> More recently, Tokyo revealed plans to extend the range of the Type-12 surface-to-ship missiles from 200 km to 1,500 km and to acquire new anti-ship missiles with a range of approximately 2,000 km.<sup>34</sup> In addition, the Acquisition, Technology and Logistics Agency is working on hypersonic cruise missiles and the hyper velocity gliding projec-

32 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2019 Budget," (Tokyo, Japan 2019), pp. 9, 12, 26.

33 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2018 Budget," (Tokyo, Japan 2018), p. 5.

34 Sankei Shinbun, "'kokusan tomahoku' kaihatsue syatei 2,000kirono shingataikandan 12shikiha 1,500kironi enshin" [Developments for an 'indigenous Tomahawk' New Anti-Ship Missile with Range of 2,000km Type-12 to Extend its Range to 1,500km], Sankei Shinbun (December 29, 2020), <https://www.sankei.com/politics/news/201229/pli2012290001-n1.html> (Accessed May 1, 2022).

tiles that are expected to be operationalized by around 2030.<sup>35</sup> Hence, while Japan will continue with off-the-shelf purchases for capabilities it does not have available, there is a steady trend toward domestically produced, or at least jointly developed, strike assets.

## MISSILE DEFENSE

Japan's ballistic missile defense capabilities have significantly evolved over the decades to be able to address ballistic missile threats from China, North Korea, and Russia. At present, Japan's ballistic missile defense system consists of the Raytheon and Aerojet SM-3 operated by the JMSDF's Aegis-equipped destroyers, including the upgraded SM-3 Block IIA jointly developed by Raytheon and MHI for interceptions at the mid-course phase and the Raytheon PAC-3 operated by the JASDF for terminal phase interceptions. As for early-warning systems, the JASDF now operates the J/FPS-5 and J/FPS-7 radar systems and introduced the Japan Aerospace Defense Ground Environment network in July 2009.

Even though they are quite modern, Japan's ballistic missile defense capabilities have faced serious challenges in recent years. The foremost challenge is the increasingly sophisticated nature of ballistic missiles possessed by Japan's adversaries. For instance, North Korea is making notable advancements with maneuverable reentry vehicles designed to dodge current ballistic missile defense systems. Japan had also planned to build two Aegis Ashore systems to enable more consistent means of detection and interception. Yet when the plan was canceled due to failed agreements with local residents in 2020, Tokyo decided to build two Aegis-equipped vessels with standoff strike capabilities as a compromise to be able to use the already purchased SPY-7 radar.<sup>36</sup> Boost phase interception capabilities could also be considered in the future, although there are still questions about the defense planning, technological, and operational hurdles.<sup>37</sup>

## CYBER, OUTER SPACE, AND ELECTROMAGNETIC SPECTRUM

While Japan's space program has a relatively long history and operates a number of satellites, the JSDF's capabilities for outer space are still nascent. After the 2018 NDPG described outer space security as a key domain, some initiatives were put in motion. In May 2020, the JASDF began focusing on space situational awareness to monitor and identify objects in outer space as well as managing satellite communication and navigation for the JSDF.<sup>38</sup> The JASDF also works closely with the Japan Aerospace Exploration Agency and the US Space Force, which are vital in maximizing Japan's capabilities in the outer space domain. At the same time, it is nurturing its own capabilities with the newly reorganized Space Operations Group that is due to begin full operations in 2023.

Japan has invested heavily into the cyber domain since the 2013 NDPG. In March 2008, the JSDF established the joint Command Control Communication Computers Systems Command (CCCCSC) which was reorganized in March 2022 to become the current Cyber Defense Command. According to the current MTDP, the Cyber Defense Command will increase personnel from currently 540 to 1,000 by 2023. Moreover, Japan is eyeing AI for operations in the cyber domain, such as systems to detect and avert cyberattacks via malicious e-mails.<sup>39</sup>

The JSDF has developed powerful electronic warfare capabilities since the 1950s, largely based on the country's performance in electronics. With the advancements in electronic warfare, the 2018 NDPG pushed to accelerate the development of capabilities suited to crippling adversaries while defending Japan's own assets. Currently, Japan is working to introduce and upgrade the electronic equipment installed in the various platforms, infrastructures, and networks of the JSDF, while also conducting R&D on standoff electronic warfare capabilities.

35 Japan Ministry of Defense, R&D Vision (see note 10).

36 Japan Ministry of Defense, "Procurement of a New Missile Defense System, etc. and Strengthening Stand-off Defense Capability," (Tokyo, Japan: Japan Ministry of Defense, December 18, 2020); Yoshihiro Inaba, "New Details On Japan's Future BMD Vessels Revealed," *Naval News*, September 12, 2022, <https://www.navalnews.com/naval-news/2022/09/new-details-on-japans-future-bmd-vessels-revealed> (Accessed September 12, 2022).

37 For detailed discussions on boost-phase missile defense, see: Ian Williams, Masao Dahlgren, Thomas G. Roberts, and Tom Karako, "Boost-Phase Missile Defense: Interrogating the Assumptions," *CSIS Report* (Washington, DC, 2022), <https://www.csis.org/analysis/boost-phase-missile-defense> (Accessed August 16, 2022).

38 Ryo Hinata-Yamaguchi, "One Small Step for Japan's Space Security Strategy," *East Asia Forum* (April 1, 2020), <https://www.eastasiaforum.org/2020/04/01/one-small-step-for-japans-space-security-strategy> (Accessed August 29, 2022).

39 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2020 Budget," (Tokyo, Japan 2020). p.5.

## 5 – KEY ASSETS OF THE JAPANESE SELF-DEFENSE FORCES

	SYSTEM NAME AND TYPE	AMOUNT	STATUS	OPERATIONAL RELEVANCE AND PURPOSE
<b>ARMORED VEHICLES</b> 	Type-96 armored personnel carriers	381	Operational (1998- )	Remote island defense
	AAV7 amphibious vehicles	52	Operational (2013- )	Amphibious assault vehicle, remote island defense
<b>SURFACE COMBATANTS</b> 	Izumo-class helicopter carriers	2	Operational (2015- )	Anti-submarine warfare (ASW), remote island defense
	Hyuga-class helicopter carriers	2	Operational (2009- )	ASW, remote island defense
	Maya-class aegis destroyers	2	Operational (2020- )	Missile defense, surface warfare
	Atago-class aegis destroyers	2	Operational (2007- )	Missile defense, surface warfare
	Kongo-class aegis destroyers	4	Operational (1993- )	Missile defense, surface warfare
	Mogami-class frigates	2 <sup>1</sup>	Operational (1922- )	ASW, mine warfare
	Osumi-class tank landing ships	3	Operational (1998- )	Amphibious ship, remote island defense
<b>SUBMARINES</b> 	Taigei-class submarines	1 <sup>2</sup>	Operational (2022- )	Submarine warfare
	Soryu-class submarines	12	Operational (2009- )	Submarine warfare
<b>AIRCRAFTS</b> 	F-15J/DJ fighters	201	Operational (1981- )	Air-to-air, air-to-surface warfare
	F-2A/B multirole fighters	91	Operational (2000- )	Air-to-air, air-to-surface warfare
	F-35A/B multirole fighters	25 <sup>3</sup>	Operational (2016- )	Air-to-air, air-to-surface warfare
	RQ-4B remotely piloted aircraft	1 <sup>4</sup>	Operational (2022- )	Surveillance and reconnaissance
<b>MISSILE DEFENSE</b> 	Patriot advanced capability (PAC-3) missile	120	Operational (2007- )	Guided surface-to-air missile to intercept ballistic and cruise missiles
	Standard Missile 3 (SM-3)	N/A	Operational (2007- )	Ship-launched surface-to-air missile to intercept ballistic missiles

1 additional 8 planned/under construction

2 additional 5 planned/under construction

3 additional 147 planned/under construction

4 additional 2 planned/under construction

Source: Author's own selection of systems, sourced from: International Institute for Strategic Studies, "Chapter Six: Asia," *The Military Balance* 122, Issue 1 (2022), pp. 276-279, <https://www.tandfonline.com/doi/pdf/10.1080/04597222.2022.2022931> (Accessed August 17, 2022).

## 6 – JAPAN'S KEY ALLIES AND PARTNERS

COUNTRY	FORM OF COOPERATION	KEY AGREEMENT/Framework
 United States	Treaty alliance	<b>1960</b> Treaty of Mutual Cooperation and Security <b>2007</b> General Security of Military Information Agreement (GSOMIA) <b>2015</b> Guidelines for Japan-US Defense Cooperation <b>2021</b> Special Measures Agreement (SMA)
 Australia	Quasi alliance Officially: "Special Strategic Partnership"	<b>2010</b> Japan-Australia Acquisition and Cross-Servicing Agreement (ACSA) <b>2012</b> Japan-Australia Information Security Agreement (ISA) <b>2022</b> Japan-Australia Reciprocal Access Agreement (RAA)
 UK	Quasi alliance Officially: "Strategic Partnership"	<b>2012</b> Memorandum on Defense Cooperation <b>2013</b> Agreement on the Transfer of Arms and Military <b>2014</b> Japan-United Kingdom ISA <b>2017</b> Japan-United Kingdom ACSA <b>2022</b> Japan-United Kingdom RAA
 India	Quasi alliance Officially: "Special Strategic and Global Partnership"	<b>2006</b> "Joint Statement Towards Japan-India Strategic and Global Partnership" <b>2020</b> Japan-India ACSA
 Canada	Quasi ally	<b>2010</b> Canada-Japan Joint Declaration on Political, Peace and Security Cooperation <b>2019</b> Japan-Canada ACSA
 EU	Quasi alliance Officially: "Strategic Partnership"	<b>2019</b> EU-Japan Strategic Partnership Agreement
 NATO	Quasi alliance Officially: "Partner across the globe"	<b>2020</b> Individual Partnership and Cooperation Programme
 South Korea	Quasi ally	<b>2016</b> General Security of Military Information Agreement (GSOMIA)
 ASEAN	Exchange and cooperative partnership Officially: "Business Partners"	<b>2014</b> ASEAN-Japan Joint Declaration on Cooperation to Combat Terrorism and Transnational Crime <b>2020</b> Joint Statement on Cooperation on ASEAN Outlook on the Indo-Pacific (AOIP)

Source: Author's own selection and analysis; official descriptions refer to denominations by Japan's Ministry of Foreign Affairs.

# Constraints

Despite the growing momentum for improving Japan's defense strategies and readiness, acute political, economic, and social constraints remain which affect how far Tokyo can take its defense planning forward. Even though the LDP-led coalition together with pro-constitutional reform parties enjoys a supermajority in both houses of the Japanese parliament, the issue of a constitutional amendment remains delicate. As a result, Japan is likely to disregard proposals for more robust measures. Instead, it will continue taking solid but incremental steps toward new strategies and an increased level of defense readiness.

The first and arguably most significant obstacle remains the constitution's Article 9. While the public and lawmakers in recent years have become more aware of the threats Japan faces, progress has been slow. Even the 2015 "Legislation for Peace and Security" was a softened alternative to constitutional reform. Though it sets strict limits on what Japan can and cannot do, the political backlash was significant.<sup>40</sup> But even apart from political opposition, there is not enough constructive debate on national security issues – it is an unpopular topic which was put on the backburner for years. As a result, while some lawmakers and pundits may put forward tough measures, any proposals are likely to be watered down during the legislation process.

Another major constraint is the defense budget that limits force structural and operational improvements. The defense budget for the 2022 fiscal year stands at 5.4 trillion yen (approximately \$40 billion), making Japan the ninth largest defense spender in the world.<sup>41</sup> Still, the amount is still far from sufficient to meet the JSDF's readiness demands. The real problem is that Japan's defense outlays are constrained by the self-imposed spending cap set in 1976 by the Miki administration at one percent of GDP to

prevent over-spending on national defense.<sup>42</sup> Even after it was officially lifted by the Nakasone administration in 1987, it continued to be a political norm.

Today, Japan spends more than the cap if one factors in the supplementary budget that is issued upon request by ministries and agencies to cover additional costs during the financial year. The incumbent Kishida administration has vowed to lift the cap and significantly increase Japan's defense expenditures over the next five years. The defense budget request for the 2023 fiscal year issued in August 2022 stands at 5.6 trillion yen (approximately \$40 billion dollars) plus a list of itemized requests for capabilities expected in the forthcoming NDPG, including for standoff strikes, integrated air and missile defense, unmanned systems, cross-domain operations, command and control, improved mobilization, and logistics.<sup>43</sup>

Nevertheless, money is tight, especially for R&D and procurement as much of the budget goes to operations as well as maintenance and personnel costs. Hence, Tokyo needs to ensure that its defense planning is based on maximum cost-effectiveness and efficiency.

Personnel shortages are another major difficulty. In addition to the general effects of Japan's demographic crisis, there is an imbalance in troop distribution. The naval and air branches of the JSDF, which need human resources the most to be able to face the threats in the air and sea domains, suffer from particularly severe personnel deficiencies.<sup>44</sup> On an annual average, the JGSDF has a staff of 140,646, while the JMSDF and JASDF only have 43,033 and 44,152 respectively.<sup>45</sup> Tokyo is working to fix recruitment and retention issues by expanding enlistment procedures, improving working conditions and relying more heavily on computers and robotics. However, essential measures such as increasing the number of active and reserve personnel, creating more efficient and integrated assignment systems, and reconfiguring the composition of the service branches will take years and require difficult political and bureaucratic processes.

40 Jeffrey W. Hornung, "Abe on His Heels," *Foreign Affairs*, September 18, 2015.

41 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2022 Budget," (Tokyo, Japan 2022); Diego Lopes da Silva, Nan Tian, and Alexandra Marksteiner, "Trends in Military Expenditure, 2020," in SIPRI Fact Sheet (April 2021).

42 For past discussions on the impacts of the defense cap, see: Yuki Tatsumi, "Japanese Defence Spending at the Fiscal Crossroads," *East Asia Forum* (17 February 2021), <https://www.eastasiaforum.org/2021/02/17/japanese-defence-spending-at-the-fiscal-crossroads>. (Accessed May 1, 2022).

43 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2023 Budget Request" (Tokyo, Japan, 2022), pp. 5-20.

44 Pam Kennedy, "How Japan's Aging Population Impacts National Defense," *The Diplomat* (June 28, 2017), <https://thediplomat.com/2017/06/how-japans-aging-population-impacts-national-defense>. (Accessed May 1, 2022).

45 Japan Ministry of Defense, "Defense Programs and Budget of Japan - Overview of FY2021 Budget" (Tokyo, Japan 2021), p.47.

# Implications

While Japan is taking essential steps to enhance its defense strategies and readiness, there are questions concerning the security dilemma. China, North Korea, and Russia view any enhancements in Japan's defense strategies and readiness as a threat which will lead to further measures of their own, including an increased targeting of Japan, accelerated modernization, and "gray zone" actions that seek to aggravate or penetrate the vulnerabilities of the JSDF. The irony is that while Japan's efforts will certainly strengthen its defense readiness, Japan and the JSDF will become more exposed, particularly to China's anti-access/area denial systems.

Regarding security cooperation, Japan's measures to enhance its defense strategies and readiness will have net positive results. For the Japan-US alliance, the impact has already been positive, evidenced by greater levels of coordination between Japanese and US forces and an enhanced quality and quantity of bilateral exercises and operations. Much of this reflects changing attitudes in Japan, where the country's role in the alliance has been receiving greater recognition. The improvements implemented by Japan have in turn gained significant recognition in the United States, as evidenced by reactions from US security interlocutors who have praised Japan's improved strategies, readiness, and role in the partnership.<sup>46</sup> Still, the impact of Japan's future efforts in the context of the alliance will depend heavily on the individual measures taken. Certain elements – if, for example, Japan was to acquire strategic strike capabilities or nuclear weapons – could cause a strategic divergence, if Washington decided that Tokyo was questioning the United States' extended deterrence.

In terms of multilateral security cooperation, Japan has met with mixed results. Tokyo has worked to expand its cooperation network under the initiative for a Free and Open Indo-Pacific initiative that aims to ensure "peace, stability, and freedom of navigation" in the region.<sup>47</sup> The Kishida administration has vowed to

work closely with international partners to strengthen the rules-based order under a new Free and Open Indo-Pacific Strategy expected to be unveiled next year.<sup>48</sup> That said, the actual progress in building an expanded and effective network has been limited. The problems are not simply about Japan's pre-1945 actions, but rather about the fact that Tokyo's strategy and defense planning has become increasingly threat-based. Thus, while Japan's actions and leadership for a rules-based order may be largely welcomed, some states in the region believe that Japan's actions will only further embolden China and North Korea. Problems exist even within the US alliance network. Given the threats posed by China, North Korea, and Russia, trilateral cooperation between Japan, the United States, and South Korea is critical.<sup>49</sup> That said, Seoul often expresses discomfort with Tokyo's more assertive strategies and higher readiness – not so much because South Korea considers them a direct threat, but rather because it fears Japan could destabilize the Indo-Pacific security environment. Hence the actual momentum for trilateral cooperation is limited, which in turn contributes to undermining security and stability in the Indo-Pacific.

Expanding the Japan-US alliance to other US allies and likeminded states in the Indo-Pacific and beyond could improve Japan's situation but will not be easy either. Japan will need to enhance its security cooperation and coordination with key actors, including Australia, Canada, India, New Zealand, South Korea, Taiwan, and select Southeast Asian and European states to effectively deal with the threats in the region. While the Quadrilateral Security Dialogue, which consists of Japan, the United States, Australia, and India, has received some attention, it is still a nascent and loose framework for non-traditional security issues rather than a formal alliance, and there has been some skepticism amid India's ambiguous diplomatic maneuvers since Russia's invasion of Ukraine. Moreover, there are also caveats concerning cooperation with Southeast Asian states. They prefer to focus on capacity-building, non-traditional security issues, and norm-building instead of taking a more threat-based approach. Nevertheless, while one cannot expect a NATO-like pact in the Indo-Pacific, likeminded states in the region will need to form a multilateral mechanism to safeguard the rules-based order.

46 For examples, see: Richard L. Armitage and Joseph S. Nye, "The U.S.-Japan Alliance: Anchoring Stability in Asia," (Washington, DC: CSIS, 2012); Richard L. Armitage and Joseph S. Nye, "The U.S.-Japan Alliance: An Equal Alliance with a Global Agenda," (Washington, DC: CSIS, 2020).

47 Shinzo Abe, "Asia's Democratic Security Diamond," *Project Syndicate* (December 27, 2012), <https://www.project-syndicate.org/onpoint/a-strategic-alliance-for-japan-and-india-by-shinzo-abe> (Accessed May 1, 2022).

48 Fumio Kishida, "Keynote Address by Prime Minister Kishida Fumio at the IISS Shangri-La Dialogue," news release, 10 June 2022, [https://japan.kantei.go.jp/101\\_kishida/statement/202206/\\_00002.html](https://japan.kantei.go.jp/101_kishida/statement/202206/_00002.html) (Accessed June 11, 2022).

49 Ryo Hinata-Yamaguchi, "Completing the US-Japan-Korea Alliance Triangle: Prospects and Issues in Japan-Korea Security Cooperation," *The Korean Journal of Defense Analysis* 28, no. 3 (Fall 2016).

As Japan enhances its defense strategies and readiness and takes on a more important international security role, its relevance to Europe will grow. Although views differ among European states, most seem to recognize the importance of Japan as a key player in stabilizing the Indo-Pacific. Yet at the same time, they also harbor concerns over whether Tokyo's actions could exacerbate aggressive actions by China, North Korea, and Russia, which would in turn lead to greater instability. Such concerns, however, are less about Japan and its policies than driven by the general preference among European states for stability in the Indo-Pacific to be based on rules and norms rather than threat-based strategies.

Conversely, Japan recognizes that working with the European states and the United Kingdom is crucial for its efforts to build international security partnerships and boost its international security profile. Tokyo's commitment has been evidenced by the joint political declaration for cooperation signed in 2013 as well as its membership in the Individual Partnership and Cooperation Programme. Although Japan and NATO are not formal allies, they have partnered on a number of initiatives that are vital to international security.<sup>50</sup> Moreover, Japan took part in the NATO summit for the first time in June 2022, marking a significant development in the relations. This proved particularly important for the mutual recognition of security interests and concerns regarding China and Russia. It also raised awareness in Europe of the significance of stability of the Indo-Pacific region.

Still, although Japan understands that the United States and its European allies expect it to contribute more to international order and security, there are limits on how far a partnership between Japan and European states can go. This is not just about constraints on Japan's legal and operational capacity, but also about different priorities between Japan and Europe and a lack of interoperability. One concern for Japan would be that working with or joining pacts such as NATO could impose obligations that would erode Tokyo's strategic focus on the Indo-Pacific and overstretch its capacities. Japan is also nervous about cooperation with NATO affecting its own security. For example, while Tokyo is taking a tough stance against Moscow for the war in Ukraine, there are concerns that Russia could target Japan as a collaborator of NATO.

## Policy Recommendations

The developments in Japan's defense posture and their impact on international security leave several points that warrant attention. Above all, there are concerns about the security dilemma and stability-instability paradox with China, North Korea, and Russia responding harshly to Japan's efforts to improve military readiness. Still, the steps Japan is taking to strengthen and sharpen its defense are far better than inaction that would leave it with greater vulnerabilities. Nevertheless, Tokyo will need to surround its defense efforts with constructive diplomacy by toning down politicized and nationalistic aspects.<sup>51</sup> It should also continue work to establish and strengthen arms control, regional cooperation, conflict prevention, and the rules-based order in the Indo-Pacific.

To deal with the current and emerging security challenges, Japan and the United States will need to further deepen and expand their alliance. Most importantly, they must continue efforts to enhance strategic, operational, and tactical doctrines as well as interoperability and combined readiness. At the same time, more cooperation and joint initiatives for new and emerging technologies are needed.<sup>52</sup> Japan and the United States should also impose more effective measures against hybrid warfare, as that is proving to be a critical element in the conflict and competition with China, North Korea, and Russia. Furthermore, Japan and the United States should continue to work with other allies and likeminded states to build a multilateral security framework. Tokyo should also consider rotational deployment of the JMSDF and building an offshore naval base in the Indo-Pacific to ensure the stability and bolster the rules-based order in the region.

There is potential for Japan to join the Five Eyes intelligence pact consisting of the United States, Australia, Canada, New Zealand, and the United

50 NATO, "Relations with Japan," NATO (April 19, 2022), [nato.int/cps/en/natohq/topics\\_50336.htm](https://nato.int/cps/en/natohq/topics_50336.htm) (Accessed May 1, 2022).

51 Yoshihide Soeya, *nihonno midoru pawa gaikou* [Japan's Middle Power Diplomacy] (Tokyo: Chikuma Shinsho, 2005).

52 Tate Nurkin and Ryo Hinata-Yamaguchi, "Emerging Defense Technologies in the Indo-Pacific and the Future of US-Japan Cooperation," ed. Atlantic Council (Washington, DC April 2020).

Kingdom.<sup>53</sup> Japan is also looking at working with, and perhaps joining, the recently formed “AUKUS” alliance (the US, Australia, and the UK). While both will increase Japan’s international security responsibilities and add an extra agenda to Japan’s defense planning, the country would benefit from access to capabilities and intelligence-sharing.

For European states, Japan is becoming an increasingly important partner. Security cooperation between Japan and Germany has developed well in recent years, epitomized by Chancellor Olaf Scholz’s recent tour to Asia which began with a visit to Japan, and Foreign Minister Annalena Baerbock’s visit to Japan after the G20 meeting in Indonesia. Both countries also signed an agreement on exchange of security information in March 2022 and came together for a “2+2” meeting in April 2022. Moreover, Germany has increasingly shown its engagement in the Indo-Pacific in recent years by participating in a number of air and naval exercises with regional partners including Japan.<sup>54</sup> Although Japan and Germany still need to clarify the details of their security partnership, it is clear that progress can be made in the areas of defense as well as technological cooperation and economic security. Their bilateral relationship can also lead to closer security coordination and cooperation between Japan and the EU as well as NATO.

Japan and the European states should intensify their cooperation to protect their shared interest in democracy, prosperity, and the rules-based order in the Indo-Pacific and the Atlantic. To this end, this paper concludes with three recommendations: First, hold regular, high-level dialogues between Japan and NATO to discuss priorities and plans for the partnership. Both sides should also include their partners in selected defense exercises. Second, deepen bilateral security relations between Japan and key NATO states, and take advantage of the specific characteristics and strengths of the partnerships. Third, take the security partnerships beyond defense operations and include exchanges and joint development of new and emerging technologies. While young, the security partnerships between Japan and European states have much potential to play critical roles in international security and stability.

53 Hannah Fodale, Jagannath Panda, and Ankit Panda, “RESOLVED: Japan Is Ready to Become a Formal Member of Five Eyes,” (8 December 2020), <https://www.csis.org/analysis/resolved-japan-ready-become-formal-member-five-eyes> (Accessed May 1, 2022).

54 See: Julian Ryall, “German Warship Visits Japan for First Time in 20 Years,” DW News, November 5, 2021, <https://www.dw.com/en/german-warship-visits-japan-for-first-time-in-20-years/a-59732267>, (Accessed May 1, 2022); “Germany Sends Fighter Jets to Indo-Pacific Training Mission,” DW News, August 15, 2022, <https://www.dw.com/en/germany-sends-fighter-jets-to-indo-pacific-training-mission/a-62815572>, (Accessed August 16, 2022).

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Rauchstraße 17/18  
10787 Berlin  
Tel. +49 30 25 42 31 -0  
[info@dgap.org](mailto:info@dgap.org)  
[www.dgap.org](http://www.dgap.org)  
@dgapev

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