



When Actions Match Words: Japan's National Security Strategy at One Year

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When Actions Match Words: Japan's National Security Strategy at One Year

In December 2022, Japan issued new national security and defense strategies that on paper promised unprecedented change. Emphasizing that Japan's security environment is "as severe and complex as it has ever been since the end of World War II," the strategies set out plans to increase defense spending by more than 60 percent by 2027; invest in power projection capabilities such as long-range precision cruise missiles and "active cyber defense"; and significantly strengthen Japan's domestic defense industrial base as "virtually a defense capability itself." The new National Defense Strategy included plans to strengthen the capacity of the Self Defense Forces to achieve a "high readiness and response capability... able to adapt to new ways of warfare."¹ Collectively these announcements appeared to shatter numerous policy norms that had been in place for much of Japan's post-World War II history, including the informal cap on defense spending at 1 percent of GDP, longstanding limits on power-projection capabilities such as long-range missiles and bombers, and tight constraints on the transfer of defense equipment overseas. These announcements collectively reflected the judgement of Japanese strategic planners that today's security threats demanded a fundamentally different defense posture—that "Ukraine today could be East Asia tomorrow," as Prime Minister Kishida

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famously put it in June 2022—and that the post-war minimalist construct of Japan’s defense was no longer adequate.²

The strategies were met with much applause from Washington. On the same day they were released, the White House, State Department, and Defense Department all issued statements welcoming Japan’s announcements—an unprecedented display of US support.³ The Defense Department explicitly endorsed Japan’s plans for “counterstrike capabilities” and made clear it would support Japan’s acquisition of Tomahawk cruise missiles. National Security Advisor Jake Sullivan’s public statement asserted that “Japan has taken a bold and historic step to strengthen and defend the free and open Indo-Pacific.” The support for Japan was part of a larger shift in the Biden administration toward promoting much more robust capabilities in key allies—such as the decision to provide nuclear-powered submarines to Australia under the Australia-United Kingdom-United States (AUKUS) partnership—to strengthen deterrence in the face of growing Chinese revisionism. Past administrations had been reluctant to support providing long-range strike systems to Japan, out of concern that Japan was not yet ready for capabilities the United States provides only to its closest allies, like the United Kingdom, and about the potential reaction from Japan’s neighbors. Those concerns have faded in light of current threats.

Japan’s groundbreaking announcements prompted a rash of commentary and analysis, including in the pages of this journal. Although most assessments at the time—including by this author—highlighted the positive significance of Japan’s strategies, a number of observers also raised thoughtful questions about Japan’s ability to deliver.⁴ Some emphasized the historic nature of Japan’s announcements, while noting that even with increased spending Tokyo would be hard-pressed to meet all of its identified defense needs.⁵ Others were more fundamentally skeptical, arguing that Japan’s new strategic documents represented

Japan has a history of the “talk” in its strategies not matching the “walk” of implementation

change that is more evolutionary than revolutionary, with bureaucratic realities likely continuing to constrain the pace and scope of change.⁶

These cautionary notes were rooted in history: Japan does in fact have a long record of the “talk” in its strategies not matching the “walk” of implementation. For example, Japan’s first National Security Strategy in 2013 set out plans to strengthen cybersecurity and protect critical infrastructure from cyber-

attack, but ultimately the government implemented only modest organizational changes within the Cabinet Secretariat that left the vulnerabilities and challenges largely unaddressed. Similarly, although the 2018 National Defense

Program Guidelines (NDPG)—the immediate predecessor to the new National Defense Strategy—placed a major emphasis on developing the SDF’s cyber and space capabilities, the Defense Ministry made only limited investments in these areas thereafter. The 2018 document also focused on promoting jointness across the three Self Defense Force (SDF) services. In March of that year, an LDP commission had recommended the establishment of a permanent joint operational headquarters, and the 2018 NDPG committed the SDF to study a future “structure” for joint operations.⁷ Nothing came of these statements. Earlier iterations of the NDPG demonstrate a similar pattern of actions falling short of stated ambitions. Will this time be any different?

Now, more than a year after its historic announcements, attention toward Japan has faded—but this is the moment to begin assessing if Japan is meeting the expectations it set for itself. Japan’s national security and defense strategies have a five-year horizon, but the first year is arguably the most important—it is vital in building momentum for change and signaling a commitment to following through. Germany’s pledge in early 2022 to increase defense spending to 2 percent of GDP was met with considerable fanfare, for example—but a year later, the government is signaling uncertainty about whether and how it can meet its own commitment.⁸

Toward a More Credible and Ready Self Defense Force

As Japan enters year two of its buildup, its actions *are* matching its words. An in-depth look at Japan’s defense budget, which has already increased dramatically, reveals a strong focus on correcting longstanding SDF deficiencies, building a credible long-range strike capability, and strengthening jointness and the SDF’s ability to respond more quickly to threats. The investments Japan is already making—the priorities within the priorities—and the organizational changes announced to date have set the SDF on a course to becoming a more ready, responsive and credible joint fighting force, capable of sustaining a higher operational tempo. These investments are changing Japan, and will also change the US-Japan alliance. As Japan implements its strategy, and in particular as it acquires long-range strike capabilities, Japanese and US forces will move in the direction of greater integration, with more capacity for combined operations—in other words, a true military alliance for the first time.

In just over a year since its historic announcements, Japan has moved with striking speed. It is on a path to making a strong contribution to deterrence and stability in East Asia by introducing a new variable that potential adversaries have never had to consider: a country that can credibly respond—on its own, and

if needed at long range—in the event of an armed attack on its territory, including on US bases housed there.

Of course, the post-war limits on Japan's military power are not all gone. Article 9 of the Constitution, which forswears the use of force to resolve international disputes, remains in place, as do limits on Japan's ability to engage in collective self-defense operations. And to be sure, there are evident gaps in the first phase of implementation of the new strategies, and significant longer-term questions persist—about the sustainability of spending after 2027, for example, or the feasibility of new legislation required to realize Japan's ambitions in cyberspace. This article also highlights some of those lingering questions, which could

So far, this time appears to be different

compromise the ultimate success of Japan's strategy. But so far, this time appears to be different. By any objective measure—budget increases, the prioritization of new capabilities, and developing jointness—the first phase in implementing Japan's new strategy deserves high marks.

Budget

Japan's five-year defense buildup plan calls for an increase in defense spending of about 60 percent over the previous plan, to a total of 43 trillion yen over the five years through FY 2027 (about \$358 billion at \$1 = 120 yen). Budgets for the first two years demonstrate rapid progress toward this goal. The Japanese defense budget will be about 7.7 trillion yen (\$64 billion) in the year ending in March 2025, compared with 5.1 trillion (\$42 billion) in FY2022, the last year before the buildup began—a 50 percent increase in just two years.⁹ The Defense Ministry's budget submission to the Diet in December 2023 indicates that the budget will continue to grow, to 8.9 trillion yen (\$74 billion) by March 2028.

Although debate still rages within the LDP about how to finance the buildup, and the Kishida government postponed action to raise taxes to pay for a small portion of it, there is virtually no debate about the *buildup itself*—and therefore it appears certain that Japan will achieve the spending metrics laid out in the plan.¹⁰ Even with the planned increases, defense spending still occupies a modest portion of overall Japanese government spending. Defense accounted for less than 6 percent of Japanese government spending from the general account in FY2023.¹¹ (In contrast, defense accounts for about 17 percent of US federal spending, according to the Congressional Budget Office.¹²)

Depreciation of the yen could have a significant impact on dollar-based procurement plans if it persists over the long term—and could force a mid-course review of the plan, although Prime Minister Kishida has publicly ruled out spending increases beyond the planned 43 trillion yen.¹³ Long-term weakness in the

yen could prompt Japan to scale back purchases of equipment from overseas, or reduce the quantities of items to be procured—both of which would undermine its overall strategy. But Japan will not struggle to meet the yen-based spending metrics in its five-year plan.

Less clear is the budget profile beyond FY2027. As noted earlier, further increases in spending relative to other parts of the budget would appear feasible from a narrow comparative standpoint—but would also require substantial political will to achieve, given the significant demands for domestic spending including for health and child care, the vigorous debate over taxes, and Japan’s large national debt—which could become a more significant issue if interest rates rise much above zero percent. The most likely outcome is defense budgets stabilizing at about 1.6 percent of GDP beyond 2027, although threat perceptions will also influence this trajectory. Some firms in Japan’s defense industry are already beginning to make long-term investment decisions based on this assumption of sustained spending levels beyond FY2027.¹⁴

Priorities: Counterstrike and “Sustainability”

The 2022 defense strategy identifies seven priority areas for the buildup, which collectively represent a sweeping set of capabilities that observers rightly questioned as unrealistic to achieve.¹⁵ But a closer look at the first two budgets under the plan reveals a much narrower focus on a few areas that can make the biggest difference in the short term on the credibility of the SDF as a fighting force.

First is counterstrike, where Japan has moved quickly to acquire Tomahawk long-range land attack cruise missiles from the United States, invest heavily in indigenous systems, and increase stockpiles of existing shorter-range weapons. Japan’s decision to acquire and develop its own long-range strike weapons is the signature policy change identified in the 2022 strategic documents, and reflects a significant evolution in the thinking of defense planners about deterrence—and a shift in public opinion after the Russian invasion of Ukraine that made acquisition of such weapons possible. Investments to date in shorter-range strike capabilities were focused on enabling Japan to defeat an attack by striking an adversary’s forces as they moved toward Japan. But as the missile capabilities of China and North Korea advanced, Japanese strategic planners came to see this approach as inadequate, and determined that Japan needed capabilities to “make the opponent realize ... that the damage the opponent will incur makes the invasion not worth the cost.” To do so, Japan “needs capabilities

Acquiring and developing its own long-range strike weapons is the signature policy change

... to disrupt and defeat invading forces over long distances.”¹⁶ By acquiring long-range strike missiles, Japan theoretically will have the ability to hold an adversary’s military infrastructure at risk, deep inside its territory.

Japan’s original plans called for the acquisition of Tomahawks to begin by 2026; these plans have since been accelerated to 2025, when Japan will begin procuring 400 of the missiles.¹⁷ During the first two years of the buildup, Japan is also heavily investing in upgrading the indigenous Type-12 cruise missile, to replace the Tomahawk in the 2030’s, with ground-, sea- and air-launched variants of comparable range. The FY2024 budget also includes funding to develop a submarine-launched cruise missile, as well as an entirely new class of anti-ship and land-attack cruise missiles—although the details of this system, and how it would differ from the Type-12, remain unclear.¹⁸ Like the FY2023 budget, the FY2024 request includes dedicated funding for a number of other “stand-off” weapons with shorter ranges, including the Joint Strike Missile (JSM) for Japan’s F-35 fleet and the Joint Air-to-Surface Stand Off Missile Extended Range (JASSM-ER) for its F-15’s.

To be sure, significant questions remain about Japan’s plans for long-range counterstrike capability—including doctrine (the targets and conditions of its use), command and control (the decision-making on use), and development of the supporting “kill chain” intelligence and targeting architecture. These are sensitive issues—post-war Japan has never had the capability to strike targets deep inside an enemy’s territory. Determining the circumstances under which such a capability can be employed and designing a decision-making structure that can operate quickly in a crisis will be a daunting challenge. Privately, Japanese defense officials acknowledge a need to cooperate closely with the United States on counterstrike operations and escalation management in a crisis—a set of issues Japan has not had to consider since the end of World War II.¹⁹

In the near term, Japan will rely on US targeting capabilities as it begins to introduce the Tomahawk. The FY24 budget alludes to plans to acquire satellites and unmanned aerial systems (UAS) to build an autonomous “kill chain,” but includes no obvious funding for this purpose—though some MOD officials indicate that it will begin to appear in subsequent budgets under the five-year plan.²⁰ The ability of Japanese industry to develop indigenous missiles comparable in range and capability to the Tomahawk by 2030, the timeline set out in the budget, is also open to question; Japan may need to consider additional Tomahawk purchases if this timeline slips, as seems possible. But Tokyo’s actions to date point to a sustained commitment to developing a credible long-range counterstrike capability in the near term.

A second primary area of focus in the first two years of Japan’s build up is “sustainability”—a catch-all category that includes munitions stocks, readiness and maintenance, and resilience. The SDF historically has suffered from deficiencies in these areas, with low operational readiness rates among aircraft and thin stocks

of missile defense interceptors, for example, and Japanese officials describe improvements as critical to enabling Japan's existing force to sustain a higher operational tempo even during peacetime.²¹ MOD's steps to date indicate a determination to tackle these challenges directly: the FY2023 budget doubled funding for parts, and *tripled* funding for munitions and SDF infrastructure; the FY2024 budget provides for further substantial increases in all three categories. Recent changes to the publicly released budget data should help to ensure that, unlike in the past, these categories of funding are not cannibalized by the SDF for other purposes. Prior to FY2023, MOD published virtually no details on funding for munitions within the overall budget, for example, a practice that allowed the services to reallocate the funds with little accountability. Public budget requests now include an accounting of the amount to be spent on specific munitions, from artillery rounds to anti-ship missiles.²²

To enhance resilience, MOD is developing a masterplan for refurbishing SDF infrastructure across Japan, and is seeking to build new ammunition storage facilities in the southern and western parts of the country, closer to the most likely region of a conflict with China.²³ In January 2023, the United States and Japan announced an agreement to expand Japanese shared use of the US-controlled—and vast—Kadena Ammunition Storage Area on Okinawa, an important step in enabling the SDF to increase stockpiles of key munitions on the island.²⁴ More broadly, the Japanese government has identified 33 civilian airports and ports as candidates for additional investment and expansion to allow for SDF use in a contingency, more than half of which are in Okinawa prefecture.

These efforts are certain to be slow-going, given local opposition in many locations to a new or expanded SDF footprint. Some Japanese government officials have privately expressed concern about the slow pace of progress in advancing this part of the defense agenda.²⁵ And there are holes in MOD's plans for SDF infrastructure. Some observers have noted the absence of investments in hardened aircraft shelters, for example, which are key to ensuring that Japan can sustain military operations after a first strike.²⁶ These criticisms are well-taken—though in fairness, many US bases in the Western Pacific also suffer from a lack of hardened aircraft shelters.²⁷

MOD's ultimate success in elevating the capacity and readiness of the SDF will be hard to measure from the outside, given the absence of publicly available data (readiness rates and data on munitions stockpiles are classified). But the focused and substantial increases in funding for these categories of “sustainability,” combined with new budget practices designed to enforce accountability

Focused and substantial increases in “sustainability” are among the most important steps taken

and follow-through, point to a real commitment. These steps are among the most important taken in the first two years of the buildup, because they can have a near-term impact on the SDF's ability to sustain a higher operational tempo and credibly respond to threats.

Strengthening Jointness

After years of debate and resistance, MOD's FY2024 budget finally sets out plans to establish a new Japan Joint Operations Command (J-JOC) for the SDF, separate from the existing Joint Staff Office (JSO), to be up and running by March 2025. Advocates have been calling for the establishment of a standing joint operational command since the 2011 tsunami and nuclear disaster, when the SDF scrambled to stand-up an *ad hoc* joint task force to oversee relief operations around Fukushima. Japan's concept for the J-JOC is modeled on Australia's system—rather than the US concept of theater and functional combatant commanders—in which a single commander oversees all joint operations on behalf of the Chief of the Australian Defence Force.²⁸ The operational functions of Japan's JSO, and around a third of its staff, will be moved under the J-JOC. Under this construct, the role of the Chief of the Joint Staff and the JSO will be to “look up”—focusing on providing strategic military advice to the Prime Minister and the Defense Minister—while the J-JOC “looks down” by directing SDF joint operations.

The J-JOC will have authority over all SDF joint operations, including in the space and cyber domains, from peacetime through contingencies. The MOD budget request indicates plans for an initial J-JOC staff size of 240, which will grow to around 300 over the subsequent 2-3 years. The J-JOC will be led by a four-star officer of equivalent rank to the three service chiefs, also like the Australian model; it will report directly to the Defense Minister and will be able to request forces from the service chiefs for assignment to joint operations. Initially, the command will be located at Ichigaya, but MOD officials indicate that eventually it will move to a separate facility.²⁹

Washington has long encouraged Japan to establish a standing joint operational command, and Tokyo's decision to do so has set in motion bilateral discussion on the future of the US command structure in Japan, and of alliance command and control.³⁰ Unlike the alliance with Seoul, there is no US joint operational commander in Japan, and the alliance was never designed to be able to fight a conflict on short notice—the “fight tonight” mantra of the US-ROK alliance—with a deep integration of forces and well-developed operational plans. Japan's defense buildup, and the establishment of the J-JOC, represents an opportunity to move in this direction.³¹ Alliance managers in the two countries are discussing whether and how to build a more integrated command structure to allow more seamless coordination of combined bilateral training,

exercises and operations—all of which are expected to expand in the years ahead.³² Building an integrated bilateral command structure will not be easy for both bureaucratic and legal reasons; the decision-making authorities of the J-JOC commander will be significantly more limited than those of a US combatant commander, for example. But doing so would represent a new phase in the US-Japan alliance, and a shift to a far more operational relationship.

Establishment of the J-JOC alone will not make the SDF more joint, nor make the US-Japan alliance more effective in executing combined operations. Particularly in its early stages, the division of labor between the existing JSO and the new J-JOC is likely to be muddled—a challenge that will be exacerbated by the J-JOC's initial location at MOD headquarters, in close proximity to both the JSO and Japan's political leadership. Some advocates for the J-JOC had urged establishing it in a location away from Tokyo, to allow the command to focus on operational matters while the JSO focuses on military advice to Japan's political leadership. A muddled division of labor that persists over time would undermine the efficacy of the J-JOC, and if it remains in Tokyo, it may never emerge to play the role that its advocates intended.

But establishment of the J-JOC represents a long-sought and significant structural reform to the SDF, and the concept set out by MOD largely represents a victory for its advocates. Throughout the first half of 2023, key elements of the J-JOC were still a subject of significant internal debate, including basic questions like the rank of the commanding officer and whether it would have command over all joint operations.³³ At least for now, these questions appear to have been answered in a way that points toward a more credible joint force.

In sum, the initial steps in Japan's implementation of its national security and defense strategies are promising and represent rapid and concrete follow-through on the commitment to building a significantly more capable, responsive and ready Self Defense Force—and by extension, a more capable and operationally credible US-Japan alliance. The national defense strategy states that Japan's top near-term priority is to “maximize effective use of its current equipment” by improving operational rates, expanding stocks of fuel and munitions, and investing in SDF facilities. So far, it is following through on this stated focus. Whether it will continue to do so is, of course, an open question. But give credit where credit is due: so far, so good.

The Next Phase: Cybersecurity and the Defense Industry

This promising start notwithstanding, the list of homework Japan has given itself is long, and in the next phase of implementation, two particularly daunting challenges await: strengthening cyber and information security, and invigorating

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Japan's defense industrial base. Success in these two areas will be critical to the overall success of Japan's strategy. Prime Minister Kishida's low approval ratings—a consequence of a weak economy and a political fundraising scandal engulfing the ruling party since the end of 2023—raise questions about the near-term prospects for progress in these key areas.

Cyber and Information Security

The national security strategy places a heavy emphasis on strengthening cyber defenses, declaring that Japan's "response capabilities in the field of cybersecurity should be strengthened equal to or surpassing the level of leading Western countries [sic]."³⁴ Japan's cyber vulnerabilities—from critical infrastructure to government networks—are well-known and longstanding, including the lack of established mechanisms for information sharing between the government and the private sector about cyber threats. The strategy sets out plans to stand up a new organization with centralized authorities to harden government networks, improve public-private information sharing, and develop "active cyber defense"—the capability to penetrate and disrupt the networks of an adversary in response to a cyber-attack. This important policy step received much less attention in media reporting at the time, but would represent a "power projection" capability comparable in significance to Japan's decision to acquire long-range missiles.

Announcement of these plans was warmly welcomed in Washington, where concerns about Japan's cyber vulnerabilities—and particularly the vulnerability of government networks—are longstanding and pose a significant obstacle to deeper US-Japan information sharing.³⁵ Progress in addressing cyber vulnerabilities, along with introducing a more robust security clearance system that includes private sector actors, are two key steps to enabling deeper alliance cooperation.

The Defense Ministry has begun to take steps on its own to strengthen cyber defenses. Under the five-year build-up plan, the SDF plans to increase the number of personnel in cyber roles, such as the Cyber Defense Command, to 4000—a five-fold increase. MOD intends to increase the total number of SDF personnel in cyber-related functions to 20,000—though recruiting challenges will almost certainly impede MOD's ability to achieve this goal. The GSDF will restructure the existing Signal School to create a new Signal/Cyber training facility by 2027.³⁶ The Ministry says it is raising network security to the US standard, and subsidizing cybersecurity improvements for defense contractors.³⁷

These steps are all positive, but the whole-of-government approach reflected in the national security strategy is needed to fully address Japanese cyber

vulnerabilities and develop new capabilities to address cyber threats. These steps require new legislation—and that legislation was politically controversial even before the onset of political scandals that have weakened the Kishida government.³⁸ The National Security Secretariat is drafting the legislation which would establish a revamped organization within the Cabinet Secretariat with enhanced authorities to: set cyber standards across the Japanese government; require private sector critical infrastructure providers to report cyber incidents; allow telecommunications companies to share data related to cyber threats, including the internet protocols connected to malignant actors they detect; and authorize “active cyber defense,” a capability that would be housed in the new cyber organization.

These measures will require significant political lift, as they bump up against privacy rights enshrined in Japan’s constitution, which are stronger than most countries. Article 21 of the constitution protects the “secrecy of any means of communication” as part of the freedom of expression, and will limit how far the new law can go in imposing reporting requirements. Passage of the law, however, is central to the overall success of Japan’s strategy—because cyber vulnerabilities represent a critical weakness in Japan’s defenses and an obstacle to deeper US military and intelligence cooperation—but prospects for now look uncertain. Although the Kishida government had planned to move forward with this legislation in 2024, collapsing approval ratings and the fundraising scandal may lead it to delay action for some time. Whether it does so will be a key indicator of success and progress in Japan’s overall strategy.³⁹

Strengthening the Defense Industrial Base

Japan’s defense strategy states that the country’s “defense production and technology bases are an “indispensable foundation for a country ... it is virtually defense capability itself [sic].” The view that Japan should have a strong indigenous defense industry is neither new nor unique, but the instinct was reinforced by the war in Ukraine and the recognition that defense materiel manufacturing capacity at home is vital in a major conflict. In part a result of Japan’s post-war limits on defense exports, the country has long had a small, protected and largely uncompetitive defense industry that has provided expensive and boutique capabilities to the SDF. There are no dedicated defense contractors (“primes”) in Japan, and for even the largest players in the industry, defense plays a small role in overall business. In 2022, defense comprised just 10 percent of the sales of Japan’s largest defense contractor, Mitsubishi Heavy Industries.⁴⁰ The major defense contractors are supported by thousands of small and medium-sized firms, some of whom have exited the industry in recent years, citing small profit margins and declining

procurements as Japan placed a heavier emphasis on purchases of advanced equipment—like the F-35—from the United States.⁴¹

Since release of the strategic documents, the Defense Ministry has taken initial, incremental steps to support the defense industry, through a new law and regulations that provide for larger profit margins in defense contracts; subsidies and loans to support equipment manufacturing, cybersecurity enhancements, and supply chain resilience; and subsidies to companies seeking to modify defense equipment for export.⁴² It has also announced plans to launch by early 2025 a new research and development organization, loosely modeled on the US Defense Innovation Unit and Defense Advanced Research Projects Agency (DARPA), to identify and accelerate adoption of commercial and dual use technology for defense purposes. More broadly, Japan's buildup features significant increases in research and development funding over the five-year plan; in FY2023, total R&D funded by the Defense Ministry tripled (to about 900 billion yen), including large increases in funding for stand-off missile capabilities, integrated air and missile defense, drones and uncrewed systems, and Japan's next generation fighter aircraft (more on that below). The FY2024 budget sustains this level of funding.⁴³

This approach risks a return to the days of *kokusanka* (indigenization)—when Japan prioritized defense production at home, even when doing so resulted in higher costs and less capability. It is too soon to say whether the increased funding proves to be well-spent—or simply serves to prop up an uncompetitive defense ecosystem.

Ultimately, deeper exposure and integration into the international marketplace will be critical to revitalizing the industry, and to the broader success of Japan's strategy. An essential step in promoting this integration is the loosening of Japan's limits

The 2022 strategies sparked hope for much more sweeping defense export reforms

on defense equipment exports. Effectively banned in 1967, the government of Prime Minister Noda in 2011 took initial steps to allow exports of defense equipment in limited areas. Prime Minister Abe in 2013 further loosened the restrictions to allow transfers of equipment in five non-lethal areas including surveillance capabilities and transportation. These steps, though positive, were arguably too modest, and the capability areas too limited, and did little to strengthen Japan's defense industry or to

kindle interest among international defense firms in partnerships with Japanese companies.

The 2022 strategies sparked hope for much more sweeping reforms. Shortly before the strategies were released, an expert commission advising the Prime Minister on national security issued a report calling for the removal of restrictions

on defense exports “as much as possible,” to both support Japan’s defense industry and to give the government a new foreign policy tool through equipment transfers and sales to close partners.⁴⁴ But discussions of reforms in this area quickly bogged down, a victim of coalition politics and the lingering influence of the Komeito, which has opposed any significant loosening of export restrictions. More than a year after release of the strategies, the LDP and Komeito have consensus only on modest revisions to existing policy and regulations—such as allowing the export of equipment manufactured under license back to the country of origin—and more significant reforms may have to wait at least until after the next parliamentary election, which must be held by October 2025.⁴⁵

It is too soon to say whether this pillar of Japan’s national security and defense strategy will be successful, and the early signs are mixed at best. The success or failure of Japan’s new (and only) major international defense program—the Global Combat Aircraft Program (GCAP) which it is pursuing with the United Kingdom and Italy—may ultimately determine the international competitiveness of Japan’s defense industry. This program, the first major effort Japan has pursued with a partner other than the United States, aims to produce an exportable sixth-generation fighter that is competitive in the international marketplace. The need to be able to export the fighter to countries outside the consortium could be a driver of broader change in Japanese policy, and could prompt other partnerships with international industry. But delivery of this aircraft is at least a decade away.

Ultimately, it is in the US interest for Japan to have a vibrant and competitive defense sector; the war in Ukraine has underscored the importance of allied defense industrial capacity as key to deterrence and the ability to fight and win a major conflict. And a thriving defense industry is likely to be an essential constituency of support within Japan domestically over the long term for Japan’s more ambitious defense policy. Along with Japan’s cyber agenda, the future of defense industry reform is one of the largest unanswered questions in Japan’s pathbreaking national security strategy.

A Major Step Forward, with Big Tasks Still Ahead

Just over a year after Japan released its historic national security strategy, Tokyo is off to a strong start in implementation—a departure from past strategies over the previous decade. It has leveraged the already significant increases in spending to elevate the readiness and capacity of the SDF, and to address deficiencies—such as munitions stocks—that went unaddressed for decades. Japan is making long-sought organizational changes to support a more credible and joint fighting force. And it is moving rapidly to acquire long-range precision strike weapons,

which will strengthen deterrence by increasing the perceived cost to an adversary of an attack on Japan. In short, and unlike so often in the past, it is following through on the promises and the priorities set out in its strategic documents.

The next phase of implementation, particularly related to cybersecurity and the defense industry, will require significant legal and policy change that budget increases alone cannot achieve. The jury is still out on whether these

The current political environment in Japan is likely to pose a significant challenge

efforts will be successful. Both areas will require significant and sustained political will and leadership, and the current environment in Japan is likely to pose a significant challenge to progress. But Japan deserves credit for rapid and significant steps taken in the first phase of implementation, which together herald a far more capable US ally, and one that is finally developing the military capabilities to match its longstanding diplomatic and economic strength.

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