APPENDICES
APPENDIX I

Security Treaty Between the United States of America and Japan*

Signed at San Francisco, September 8, 1951
Ratification advised by U.S. Senate, March 20, 1952
Ratified by President, April 15, 1952
Ratified by Japan, November 19, 1951
Ratifications exchanged at Washington, April 28, 1952
Entered into force, April 28, 1952

TREATY

Japan has this day signed a Treaty of Peace with the Allied Powers. On the coming into force of that Treaty, Japan will not have the effective means to exercise its inherent right of self-defence because it has been disarmed.

There is danger to Japan in this situation because irresponsible militarism has not yet been driven from the world. Therefore Japan desires a Security Treaty with the United States of America to come into force simultaneously with the Treaty of Peace between the United States of America and Japan.

The Treaty of Peace recognizes that Japan as a sovereign nation has the right to enter into collective security arrangements, and further, the Charter of the United Nations recognizes that all nations possess an inherent right of individual and collective self-defence.

In exercise of these rights, Japan desires, as a provisional arrangement for its defence, that the United States of America should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

The United States of America, in the interest of peace and security, is presently willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for its own defence against direct and indirect aggression, always avoiding any armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the United Nations Charter.

Accordingly, the two countries have agreed as follows:
ARTICLE I

Japan grants, and the United States of America accepts, the right, upon the coming into force of the Treaty of Peace and of this Treaty, to dispose United States land, air and sea forces in and about Japan. Such forces may be utilized to contribute to the maintenance of international peace and security in the Far East and to the security of Japan against armed attack from without, including assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan, caused through instigation or intervention by an outside power or powers.

ARTICLE II

During the exercise of the right referred to in Article I, Japan will not grant, without the prior consent of the United States of America, any bases or any rights, powers or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, or transit of ground, air or naval forces to any third power.

ARTICLE III

The conditions which shall govern the disposition of armed forces of the United States of America in and about Japan shall be determined by administrative agreements between the two Governments.

ARTICLE IV

This Treaty shall expire whenever in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements or such alternative individual or collective security dispositions as will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan Area.

ARTICLE V

This Treaty shall be ratified by the United States of America and Japan and will come into force when instruments of ratification thereof have been exchanged by them at Washington.

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.
Done in duplicate at the city of San Francisco, in English and Japanese languages, this eighth day of September 1951.

FOR THE UNITED STATES OF AMERICA:

Dean Acheson
John Foster Dulles
Alexander Wiley
Styles Bridges

FOR JAPAN:

Shigeru Yoshida

APPENDIX II

Treaty of Mutual Cooperation and Security
Between the United States of America and Japan*

Signed at Washington, January 19, 1960
Ratification advised by the Senate, June 22, 1960
Ratified by Japan, June 21, 1960
Ratifications exchanged at Tokyo, June 23, 1960
Proclaimed by the President of the U.S., June 27, 1960
Entered into force, June 23, 1960
With Agreed Minute and Exchange of Notes

TREATY

The United States of America and Japan,

Desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law,

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all governments,

Recognizing that they have the inherent right of individual or collective self-defence as affirmed in the Charter of the United Nations,

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

Having resolved to conclude a treaty of mutual cooperation and security,

Therefore agree as follows:
ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

The Parties will endeavour in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

ARTICLE II

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.

ARTICLE III

The Parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

ARTICLE IV

The Parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened.

ARTICLE V

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.
Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.

The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement, replacing the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

ARTICLE VII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VIII

This Treaty shall be ratified by the United States of America and Japan in accordance with their respective constitutional processes and will enter into force on the date on which the instruments of ratification thereof have been exchanged by them in Tokyo.

ARTICLE IX

The Security Treaty between the United States of America and Japan signed at the city of San Francisco on September 8, 1951 shall expire upon the entering into force of this Treaty.

ARTICLE X

This Treaty shall remain in force until in the opinion of the Governments of the United States of America and Japan there shall
have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area.

However, after the Treaty has been in force for ten years, either Party may give notice to the other Party of its intention to terminate the Treaty, in which case the Treaty shall terminate one year after such notice has been given.

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.

Done in duplicate at Washington in the English and Japanese languages, both equally authentic, this 19th day of January 1960.

FOR THE UNITED STATES OF AMERICA:

Christian A. Herter. Is1
Douglas MacArthur 2nd
J. Graham Parsons

FOR JAPAN:

Nobusuke Kishi
Aiichiro Fujiyama
Mitsujiro Ishii
Tadashi Adachi
Koichiro Asakai

APPENDIX III

National Defence Program Outline

Adopted on October 29, 1976, by the National Defence Council, and approved on the same day by the Cabinet.

A National Defence Program Outline for the years after fiscal 1977 was decided on as described in the attached paper.

Attached Paper

National Defence Program Outline

1. Objectives

Japan's possession of a defence capability within the scope permitted by the Constitution is not only a concrete expression of the people's will to safeguard the nation's peace and independence, but also aims - together with the Japan-United States security arrangement - directly at forestalling any suggestion against Japan and repelling such aggression should it occur. Concurrently, the very fact that Japan firmly maintains such a defence posture contributes as well to the international political stability of Japan's neighboring region.

A major consideration in this regard is the nature of the defence capability which Japan should possess. Assuming that the international political structure in this region - along with continuing efforts for global stabilization - will not undergo any major changes for some time to come, and that Japan's domestic conditions will also remain fundamentally stable, the most appropriate defence goal would seem to be the maintenance of a full surveillance posture in peacetime and the ability to cope effectively with situations up to the point of limited and small scale aggression. The emphasis is on the possession of the assorted functions required for national defence, while retaining balanced organization and deployment, including logistical support. At the same time, it is felt that consideration should be given to enabling this defence posture to contribute to the domestic welfare through disaster-relief operations and other such programmes.

Japan has steadily improved its defence capability through the drafting and implementation of a series of four defence buildup plans.
At this time, the present scale of defence capability seems to closely approach the target goals of the above-mentioned concept.

This outline is meant to serve as a guideline for Japan's future defence posture in the light of that concept. Based on the information given below, efforts will be made to qualitatively maintain and improve defence capability, and fulfill the purpose of that capability, in specific upgrading, maintenance and operation of defence functions.

2. International Situation

An analysis of the current international situation, at the time of drafting this outline, was made as follows:

During recent years, the world community has witnessed a pronounced trend toward more diversified international relations. While nationalistic movements have become more active in some countries, simultaneously there has been marked intensification of interdependence among nations.

Against this background, the major geopolitical blocs of East and West - which center on the relationship between the United States and the Soviet Union and their continued overwhelming military strengths - have continued a dialogue aimed at avoiding nuclear war and improving mutual relations, allowing for certain twists and turns along the path. In many individual regions as well, various efforts are being made to avoid conflict and stabilize international relations.

Deeply rooted factors for assorted confrontations remain within the East-West relationship revolving around the United States and the Soviet Union, however, and intra-regional situations as well as fluid in many aspects with various elements of instability observable.

Within the general neighborhood of Japan, an equilibrium exists, involving the three major powers of the United States, the Soviet Union and China. Tension still persists on the Korean Peninsula, however, and military buildups continue in several countries nearby Japan.

Under present circumstances, though there seems little possibility of a full-scale military clash between East and West or of a major conflict possibly leading to such a clash, due to the military balance - including mutual nuclear deterrence - and the various efforts being made to stabilize international relations.
Furthermore, while the possibility of limited military conflict breaking out in Japan's neighborhood cannot be dismissed, this equilibrium between the super-powers and the existence of the Japan-U.S. security arrangement seems to play a major role in maintaining international stability, and in preventing full-scale aggression against Japan.

3. Basic Defence Concept

(1) Prevention of Armed Invasion

Japan's basic defence policy is to possess an adequate defence capability of its own while establishing a posture for the most effective operation of that capability to prevent aggression. In addition, a defence posture capable of dealing with any aggression should be constructed, through maintaining the credibility of the Japan-U.S. security arrangement and insuring the smooth functioning of that system.

Against nuclear threat, Japan will rely on the nuclear deterrent capability of the United States.

(2) Countering Aggression

Should indirect aggression - or any unlawful military activity which might lead to aggression against this nation - occur, Japan will take immediate responsive action in order to settle the situation at an early stage.

Should direct aggression occur, Japan will repel such aggression at the earliest possible stage by taking immediate responsive action and trying to conduct an integrated, systematic operation of its defence capability. Japan will repel limited and small-scale aggression, in principle, without external assistance. In cases where the unassisted repelling of aggression is not feasible, due to scale, type or other factors of such aggression, Japan will continue an unyielding resistance by mobilizing all available forces until such time as cooperation from the United States is introduced, thus rebuffing such aggression.

4. Posture of National Defence

In accordance with the above defence concepts, Japan will maintain a defence capability of the postures spelled out below and the systems described in Section V. This defence capability will meet the functional and postural requirements outlined in Section 1 as to what Japan should possess. At the same time, it will be standardized so that, when serious changes in situations so demand, the defence structure can be smoothly adapted to meet such changes:
1) Setup of Warning and Surveillance

Japan's defence structure must possess continuous capability to conduct warning and surveillance missions within Japan's territory and neighboring sea and airspace as well as to collect required intelligence.

2) Setup for Countering Indirect Aggression and Unlawful Actions by Means of Use of Military Power

(i) Japan's defence structure must possess the capability to act and take the required steps to respond to such cases as intense domestic insurgency with external support, organized personnel infiltration and arms smuggling, or the covert use of force in Japan's nearby sea and airspace.

(ii) Japan's defence structure must be capable of immediate and pertinent action to cope with aircraft invading or threatening to invade Japan's territorial airspace.

3) Setup for Countering Direct Military Aggression

Japan's defence structure must be capable of taking immediate responsive action against any direct military aggression, in accordance with the type and scale of such aggression. It should be capable of repelling limited and small-scale aggression, in principle without external assistance. In cases where unassisted repelling of aggression is not feasible, it should be capable of continuing effective resistance until such time as cooperation from the United States can be introduced, thus rebuffing such aggression.

4) Setup of Command Communications, Transportation and Rear Support Service

(i) Japan's defence structure must be able to function in such fields as command communications, transportation, rescue, supply and maintenance, for swift, effective and adequate operations.

5) Setup of Education and Training of Personnel

Japan's defence structure must be capable of carrying out intensive education and training of personnel at all times for the reinforcement of the personnel foundation of defence capability.

6) Setup of Disaster-Relief Operations

Japan's defence structure must possess the capability to carry out disaster relief operations in any areas of the country when required.
Realization of the structuring outlined below for the Ground, Maritime and Air Self-Defence Forces is a basic requirement for maintenance of the defence postures related in Section IV.

5. Posture of the Ground, Maritime and Air Self-Defence Forces

In addition, special consideration must be given to promoting systematic cooperation among the three branches of the SDF, and to securing maximum efficiency in integrated operations.

(1) Ground Self-Defence Forces
   (i) The Ground Self-Defence Force, in order to be capable of swift and effective systematic defence operations from the outset of aggression in any part of Japan, must deploy its divisions and other units with a balance conforming to Japan's natural features.

   (ii) The GSDF must possess at least one tactical unit of each of the various types of forces used mainly for mobile operations.

   (iii) The GSDF must possess ground-to-air missile units capable of undertaking low-altitude air defence of vital areas.

(2) Maritime Self-Defence Force
   (i) The MSDF must possess one fleet escort force as a mobile operating ship unit in order to quickly respond to aggressive action and such situations at sea. The fleet escort force must be able to maintain at least one escort flotilla on alert at all times.

   (ii) The MSDF must possess, as ship units assigned to coastal surveillance and defence, surface anti-submarine capability of at least one ship division in operational readiness at all times in each assigned sea district.

   (iii) The MSDF must maintain submarine units, anti-submarine helicopter units and minesweeping units, providing the capability for surveillance and defence missions as well as minesweeping at important harbors and major straits when such necessity arises.

   (iv) The MSDF must maintain fixed-wing anti-submarine aircraft units in order to provide the capability of carrying out such missions as surveillance and patrol of the nearby seas and surface ship protection.

(3) Air Self-Defence Force
(i) The Air Self-Defence Force must possess aircraft control and warning units capable of vigilance and surveillance throughout Japanese airspace on a continuous basis.

(ii) The ASDF must possess fighter units and high-altitude ground-to-air missile units for air defence, to provide the capability of maintaining continuous alert to take immediate and appropriate steps against violations of Japan's territorial airspace and air incursions.

(iii) The ASDF must possess units capable of engaging in such missions as interdicting airborne or amphibious landing invasion, air support, aerial reconnaissance, early warning against low-altitude intrusion and air transportation as the necessity arises.

Descriptions of the actual scales of organizations and primary equipment under the foregoing concepts are given in the attachment.

6. Basic Policy and Matters to Be Taken into Consideration in Building Up Defence Capabilities

The basic goal in improving Japan's defence capability must be the maintenance of the postures outlined in Sections IV and V, with due consideration to qualitative improvements aimed at parity with the technical standards of other nations. In addition to carefully adapting to changing economic and fiscal conditions in harmony with government policies in other fields, the points below should be borne in mind when defence improvements are actually implemented.

Decisions on major projections in fiscal yearly defence improvement programmes will be submitted to the National Defence Council for consultation. The actual scope of such major projections will be decided by the Cabinet, after consultation with the National Defence Council.

(1) Establishment of reasonable standards for personnel recruitment and consideration of measures aimed at securing quality personnel and enhancing morale.

(2) Effective maintenance and improvement of defence facilities and attempts to harmonize such facilities with the surrounding communities through consideration of environmental protection, such as anti-noise measures.

(3) Effective implementation of equipment acquisition programmes, with overall consideration of such factors as swift emergency resupply, acceptable education and training ease and cost
efficiency. Attention should also be given to the possibility for adequate domestic production of the equipment in question.

(4) Improvement of the technical research and development system for the maintenance and improvement of qualitative levels of defence capability.

APPENDIX - IV

Statement of Chief Cabinet Secretary on the Transfer of Military Technologies to the United States

Tokyo, January 14, 1983

Since June 1981, the Japanese Government has received requests from the U.S. Government for exchange of defence-related technologies. After careful studies on the transfer to the U.S. of "military technologies" as a part of such exchange, the Japanese Government has reached the following conclusion, which was approved by the Cabinet meeting today.

1. Under the Japan-U.S. security arrangements, the U.S. and Japan, in cooperation with each other, are to maintain and develop their respective capacities to resist armed attack. In improving its defence capacities, Japan has been benefiting from various kinds of cooperation extended by the U.S., including transfer of the U.S. technologies to Japan. In view of the new situation which has been brought about by, among other things, the recent advance of technology in Japan, it has become extremely important for Japan to reciprocate in the exchange of defence-related technologies in order to ensure the effective operation of the Japan-U.S. Security Treaty and its related arrangements, which provide for and envisage mutual cooperation between Japan and the U.S. in the field of defence, and contributes to peace and security of Japan and in the Far East.

2. The Japanese Government has so far dealt with the question of arms export (including transfer of "military technologies") in accordance with the Three Principles on Arms Export and the Government Policy Guideline on Arms Export). In view of the foregoing, however, the Japanese Government has decided to respond positively to the U.S. request for exchange of defence-related technologies and to open a way for the transfer to the U.S. of "military technologies" (including arms which are necessary to make such transfer effective) as a part of the technology exchange with the U.S. mentioned above; such transfer of "military technologies" will not be subject to the Three Principles on Arms Export. The implementation of such transfer will be made within the framework of the relevant provisions of the MDA Agreement. In this manner, the fundamental objective of refraining from aggravating international disputes, which Japan upholds as a nation committed to peace and on which the Three Principles are based, will be secured.
3. The Japanese Government will continue to maintain, basically, the Three Principles on Arms Export and to respect the spirit of the Diet Resolution on arms export adopted in March 1981.

APPENDIX V

The Exchange of Technology Agreement Between Japan and the United States, 3 November 1983

Embassy of the United States of America
Tokyo, 8 November 1983
No. 988

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

Tokyo, 8 November 1983

Excellency,

I have the honour to refer to the Mutual Defence Assistance Agreement between Japan and the United States of America signed at Tokyo on March 8, 1954 (hereinafter referred to as "the MDA Agreement"), which provides, inter alia, that each Government will make available to the other such equipment, materials, services, or other assistance as the Government furnishing such assistance may authorize, in accordance with such detailed arrangements as may be made between them. The Government of Japan, taking into consideration the assistance extended by the United States of America, including the transfer of defence-related technologies, under the MDA Agreement for the purpose of enhancing the defence capability of Japan, and recognising the new situation which has been brought about by, inter alia, the recent advance of technology in Japan, has decided to reciprocate in the exchange of defence-related technologies in order to ensure the effective operation of the Japan-United States security arrangements, by opening a way for the transfer of the United States of America of military technologies.

In this connection, the Government of Japan confirms that the transfer of any defence-related technologies other than military technologies from Japan to the United States of America has been and is in principle free from restrictions, and welcomes the transfer to the United States of America of defence-related technologies, affected upon the initiative of and by mutual consent of the parties concerned. Such transfer will be encouraged.

His Excellency Shintaro Abe,
Minister for Foreign Affairs, Tokyo
On the basis of the said decision by the Government of Japan, the representatives of the Government of Japan and the Government of the United States of America have held discussions on the ways and means to facilitate the flow of defence-related technologies from Japan to the United States of America and, for such purpose, have decided to establish a framework to implement the transfer of military technologies from Japan to the United States of America. The following is the understanding by the Government of Japan of the results of the abovementioned discussions:

1. (1) Subject to the detailed arrangements to be concluded under paragraph 3, the Government of Japan will authorize, in accordance with the relevant laws and regulations of Japan, transfer to the Government of the United States of America and the persons authorized by it of such military technologies necessary to enhance the defence capability of the United States of America, as will be identified and determined in accordance with the provisions of paragraph 2 below.

(2) For the purpose of the present understanding the term "military technologies" means such technologies as defined in the Annex attached hereto and includes articles which are necessary to make transfer of military technologies effective and fall under "arms" as defined in the said Annex.

2. (1) A Joint Military Technology Commission (hereinafter referred to as "the JMTC") shall be established as the means for consultation between the Government of Japan and the Government of the United States of America on all matters requiring mutual consultation regarding the implementation of the present understanding. The JMTC may discuss, where appropriate, matters concerning defence-related technologies.

(2) The JMTC shall be composed of two national sections. The Japanese section shall be composed of:

* a representative of the Defence Agency;
* a representative of the Ministry of Foreign Affairs;
* a representative of the Ministry of International Trade and Industry.

The United States section shall be composed of:

* a representative of the Mutual Defence Assistance Office in Japan; and
* a representative of the Embassy of the United States of America in Japan.
(3) The JMTC shall serve, in particular, as the means for consultation in identifying military technologies to be transferred.

(4) The JMTC shall meet in Tokyo annually or upon request from either Section.

(5) The relevant information concerning a request of the Government of the United States of America for transfer of military technologies from Japan shall be communicated to the Japanese Section through the diplomatic channel in advance of a JMTC meeting where such request is to be discussed.

(6) Based on the information received from the United States Section and discussion within the JMTC, the Japanese Section shall determine such military technologies as are appropriate to be authorized by the Government of Japan for transfer to the Government of the United States of America and the persons authorized by it and communicate to the United States Section the result thereof through the diplomatic channel.

3. The detailed arrangements providing for, inter alia, military technologies to be transferred, persons who will be party to the transfer, and the detailed terms and conditions of the transfer, will be concluded between the competent authorities of the two Governments in order to implement the present understanding. The competent authorities of the Government of the United States of America will be the Department of Defence; the competent authorities of the Government of Japan will be those to be notified to the Government of the United States of America through the diplomatic channel.

4. The present understanding will be implemented in accordance with the MDA Agreement which provides, inter alia:

(a) that the furnishing and use of any such assistance as may be authorized by either Government shall be consistent with the Charter of the United Nations;

(b) that each Government will make effective use of assistance received pursuant to the MDA Agreement for the purposes of promoting peace and security in a manner that is satisfactory to both Governments, and neither Government, without the prior consent of the other, will devote such assistance to any other purpose; and

(c) that each Government undertakes not to transfer to any person not an officer or agent of such Government, or to any other government, title to or possession of any equipment, materials, or
services received pursuant to the MDA Agreement, without the prior consent of the Government which furnished such assistance and arrangements concluded thereunder.

5. (1) Pursuant to the provisions of Article III, paragraph 1 of the MDA Agreement, the Government of the United States of America agrees to take such security measures as would guarantee the same degree of security and protection as provided in Japan, and no disclosure to any person not an officer or agent of the Government of the United States of America of classified articles, services or information accepted by the United States of America, will be made without the prior consent of the Government of Japan.

(2) The Government of the United States of America will exempt any taxes or other fiscal levies which may be imposed in the United States of America in connection with the transfer of military technologies authorized by the Government of Japan under the provisions of paragraph 1 above.

I have the honor to propose that, if the above understanding is acceptable to the Government of the United States of America, the present Note and Your Excellency's reply of acceptance shall be regarded as constituting an agreement between the two Governments which shall enter into force on the date of Your Excellency's reply and shall remain in force until six months after the date of the receipt of notice of termination by either Government.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Shintaro Abe
Minister of Foreign Affairs of Japan

Annex

1. The term "military technologies" means such technologies as are exclusively concerned with the design, production and use of "arms" as defined in the Policy Guidelines of the Government of Japan on Arms Export of February 27, 1976.

2 (a) The term "arms" as referred to above is defined in the said Policy Guideline as "goods which are listed from Item No. 197 to Item No. 205 of Annexed List 1 of the Export Trade and directly employed in combat." The said Policy Guideline proclaims that equipment related to "arms" production will be treated in the same manner as "arms".
(b) The relevant part of Annexed List I of the Export Trade Control Order:

197 Firearms and cartridges to be used therefore (including those to be used for emitting light or smoke), as well as parts and accessories thereof (excluding rifle scopes),

198 Ammunition (excluding cartridges), and equipment for its dropping or launching, as well as parts and accessories thereof,

199 Explosives (excluding ammunition) and jet fuel (limited to that where the whole calorific value of which is 13,000 calories or more per gram),

200 Explosive stabilisers.

201.1 Military vehicles and parts thereof

201.2 Military vessels and the hulls thereof, as well as parts thereof.

201.3 Antisubmarine nets and antitorpedo nets as well as buoyant electric cable for sweeping magnetic mines.

202 Antisubmarine nets and antitorpedo nets as well as buoyant electric cable for sweeping magnetic mines

203 Armour plates and military steel helmets, as well as bulletproof jackets and parts thereof.

204 Military searchlights and control equipment thereof

205 Bacterial, chemical and radiocative agents for military use, as well as equipment for dissemination, protection, detection, or identification thereof

(U.S. Note).

Excellency,

I have the honour to confirm on behalf of the Government of the United States of America that the foregoing understanding is acceptable to the Government of the United States and to agree that Your Excellency's Note and its reply shall be regarded as constituting an agreement between the two Governments which shall enter into force on the date of this
reply and shall remain in force until six months after the date of the receipt of notice of termination by either Government.

I avail myself of this opportunity to renew to Your Excellence the assurance of my highest consideration.

Michael J. Mansfield
Ambassador Extraordinary and Plenipotentiary
of the United States of America.

APPENDIX VI

Detailed Arrangements
for the Transfer of Military Technologies

27 December 1985

I. Introduction

In recognition of the purposes of and subject to the Mutual Defence Assistance Agreement between Japan and the United States of America, signed at Tokyo on 8 March 1954 (hereinafter referred to as the "MDA Agreement"), and pursuant to the Exchange of Notes concerning the transfer of military technologies, signed at Tokyo on 8 November 1983, (hereinafter referred to as the "Exchange of Notes"), the representatives of the Defence Agency (JDA), the Ministry of Foreign Affairs (MOFA) and the Ministry of International Trade and Industry (MITI) of Japan and the United States Department of Defence (DoD), (hereinafter referred to as the "the Parties", or as "the Japanese Side" and the "the U.S. Side", where appropriate), hereby agree to the Detailed Arrangements concerning the transfer of Japanese military technologies (hereinafter referred to as "the Arrangements"), for the purpose of ensuring the effective operation of the Japan-United States security arrangements and of enhancing the defence capability of the United States of America.

II. Scope

2.1 The Arrangements provide the general conditions and procedures applicable to the transfer to the DoD or a U.S. commercial entity (or entities) of military technologies as defined in the Annex of the Exchange of Notes, including articles which are necessary to make transfer of the military technology effective and which fall under "arms" as defined in the said Annex. For the purposes of the Arrangements, the term "JDA (or commercial) military technology" will be used to specify military technology the use of which the JDA (or a Japanese commercial entity respectively) has the right to license.

2.2 The purpose of the Arrangements is to provide for the transfer of military technologies, the transfer of which is requested by the Government of the United States through diplomatic means, by the Parties.
the Joint Military Technology commission (JMTC) as appropriate to be authorized by the Government of Japan (GOJ) for such transfer. The military technology to be transferred, the persons who will be party to the transfer, and the detailed terms and conditions of the transfer shall be set forth in a separate memorandum concluded between the relevant Japanese authorities and the DoD for each transfer in accordance with the format annexed hereto. These terms and conditions will include any appropriate research and development nonrecurring cost recoupment fee for the JDA military technology.

2.3 The implementation of the Arrangements and the separate memoranda will be consistent with the applicable laws and regulations of each country.

III. Technology transfer

3.1 The JDA agrees to take necessary measures (1) to transfer to the DoD or to a U.S. commercial entity (entities) and (2) to grant to the recipient the right to use JDA military technology, under the terms specified in the Arrangements and a separate memorandum for each transfer, and in accordance with direct contractual arrangements, which may be made between the JDA and a U.S. commercial entity.

3.2 The MITI agrees to authorize a Japanese commercial entity (1) to transfer to the DoD or to a U.S. commercial entity (entities) and (2) to grant to the recipient the right to use the commercial military technology, under the terms specified in the Arrangements and a separate memorandum for each transfer, and in accordance with direct contractual arrangements, which may be made either between a Japanese commercial entity and a U.S. commercial entity or between a Japanese commercial entity and the DoD.

3.3 The Parties agree that such contractual arrangements shall be made subject to and governed by the terms of the Arrangements and the applicable separate memorandum.

3.4 The DoD will transfer to the JDA (in the case of the transfer of JDA military technology) or to a Japanese commercial entity (in the case of the transfer of commercial military technology) all changes, modifications or improvements developed as a result of the use of the military technology transferred to the DoD under 3.1 and 3.2 and will grant to the recipient a
nonexclusive and irrevocable license to use such changes, modifications or improvements.

3.5 When a U.S. commercial entity receives Japanese military technology from the DoD, the DoD shall place the recipient under obligation (1) to transfer to the JDA or a Japanese commercial entity the changes, modifications or improvements developed as a result of the use of the military technology transferred under 3.1 and 3.2 and (2) to grant a nonexclusive and irrevocable license to use such changes, modifications or improvements. The DoD will include suitable provisions in all pertinent contracts, including a requirement to include those same provisions in all subcontracts, to meet the requirement of this paragraph.

When a U.S. commercial entity receives Japanese military technology directly from the JDA or a Japanese commercial entity, any obligations of such entity (1) to transfer to the JDA or the Japanese commercial entity the changes, modifications or improvements developed as a result of the use of the military technology transferred under 3.1 and 3.2 and (2) to grant to the JDA or the Japanese commercial entity a nonexclusive and irrevocable license to use such changes, modifications or improvements will be determined by direct contractual arrangements.

3.6 Notwithstanding 3.4 and 3.5 above, the JDA and the Japanese commercial entity, if they so choose, may waive the right to receive changes, modifications or improvements and may request financial compensation therefore.

IV. Authorized use and retransfer

4.1 The Parties agree that the transfer of military technology and the use of such technology shall be consistent with the Charter of the United Nations.

4.2 The DoD agrees that the military technology, transferred by the JDA or by a Japanese commercial entity, shall be used only for DoD military purposes that may be further specified, as necessary, in the separate memorandum for each technology and shall not be transferred to any person or organization not an agent of the recipient of the military technology nor any third-country government, person or organization without the prior written approval of the GOJ.

The DoD also agrees that these provision on authorized use and retransfer shall apply not only to the transferred military
technology, but also to the changes, modifications or improvements thereof, and to any hardware or product produced essentially through an application of the transferred military technology.

When a recipient of military technology transferred to the DoD is a U.S. commercial entity, which receives it from the DoD under contractual arrangements, the DoD shall place the recipient under obligation to comply with conditions identical to those applicable to the DoD concerning the use and retransfer of technology.

When the recipient of military technology is a U.S. commercial entity, which receives it directly from the JDA or a Japanese commercial entity, obligations of such entity to comply with conditions equivalent to those in the first two paragraphs of 4.2 concerning the use and retransfer of technology will be determined by direct contractual arrangements. The DoD will take all measures necessary to ensure that any recipient U.S. commercial entity complies with such obligations.

4.3 The JDA agrees that the changes, modifications or improvements transferred to it by the DoD or a U.S. commercial entity under 3.4 shall be used in accordance with conditions concerning the use and retransfer equivalent to those in the first paragraph of 4.2 applicable to the DoD when it receives military technology pursuant to 3.1 and 3.2.

When a recipient of the changes, modifications or improvements is a Japanese commercial entity, obligations of such entity to comply with conditions concerning retransfer equivalent to those in the final paragraph of 4.2 will take all measure necessary to ensure that any recipient Japanese commercial entity complies with such obligations.

V. Financial matters

5.1 The DoD agrees to pay the JDA any appropriate research and development nonrecurring cost recoupment fee for the JDA military technology transferred to the DoD. Such recoupment fee shall be agreed upon by the JDA and the DoD before the transfer is effected.

5.2 The JDA agrees to pay to the DoD any appropriate research and development nonrecurring cost recoupment fee for the changes, modifications or improvements of the military technology, which are transferred to the JDA under 3.4. Such recoupment fee shall be agreed upon by the JDA and the DoD
before the transfer of such changes, modifications or improvements is effected.

VI. Security

6.1 Any classified information or material which may be transferred under the Arrangements shall be furnished in accordance with the MDA Agreement and shall, in particular, be afforded protection pursuant to Article III thereof, paragraph 5(1) of the Exchange of Notes, and applicable security laws, Executive Orders, directives and regulations. Such classified information or material shall be utilized only for the purposes of the Arrangements and the separate memorandum, as appropriate, and shall be protected in accordance with provisions, as appropriate, to be set out in the separate memoranda.

VII. General Provisions

7.1 Financial obligations or expenditures incurred by the DoD under the Arrangements or a separate memorandum shall be subject to the authorization and appropriation of funds. Financial obligations and expenditures incurred by the JDA under the Arrangements or a separate memorandum shall be subject to budget authorization pursuant to the constitutional provisions of Japan.

7.2 The parties will, upon request of either of them, consult regarding any matter relating to the application of the Arrangements or a separate memorandum.

7.3 In case of controversy that may arise under the terms of the Arrangements or a separate memorandum, such controversy will be submitted to the appropriate levels of each Government for consultation and final decision.

7.4 All communications and other documents required or permitted to be transferred hereunder may be submitted in either English or Japanese language, and shall be accompanied by a translation into the other language, whenever technically feasible, at the cost of the recipient party.

7.5 The Arrangements may be amended by agreement between duly authorized representatives of the parties. Any amendment to the Arrangements necessary to accommodate circumstances peculiar to a specific transfer may be agreed upon in the
separate memorandum for that transfer referred to in 2.2 by representatives of the Parties authorized to amend the Arrangements.

VIII. Entry into force and termination

8.1 The Arrangements shall enter into force upon signature by duly authorized representatives of the parties.

8.2 The Arrangements shall remain in force as long as the MDA Agreement and the Exchange of Notes remain in force. The Arrangements may be terminated by either the Japanese side or the U.S. side by providing six months' written notice of the intention to terminate the Arrangements, but without prejudice to the obligations and liabilities which have accrued pursuant to their terms.

8.3 In the event of termination of the Arrangements, or any of the separate memoranda, the provisions of Sections IV and VI regarding authorized use and retransfer and protection of classified information and material will remain in full force and effect.

Done in Washington and Tokyo, this twenty-seventh day of December 1985, in duplicate in the English language.

(Signed by representatives from the U.S. Department of Defence, the Defence Agency, the Ministry of Foreign Affairs, and the Ministry of International Trade and Industry)

APPENDIX VII

Japanese Companies Working in Arms-Related Sectors

The following is a selection of Japanese companies working in arms-related sectors.

<table>
<thead>
<tr>
<th>Name</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aichi Tokei Denki</td>
<td>detonators</td>
</tr>
<tr>
<td>Asahi Chemical Ind.</td>
<td>detonating powder</td>
</tr>
<tr>
<td>Asahi Okums Ind.</td>
<td>light weapon munition</td>
</tr>
<tr>
<td>Asahi Precision Machinery</td>
<td>grenades</td>
</tr>
<tr>
<td>Chugoku chemical</td>
<td>powder</td>
</tr>
<tr>
<td>Chugoku Explosives</td>
<td>munition</td>
</tr>
<tr>
<td>Daicel</td>
<td>Powders, parachutes</td>
</tr>
<tr>
<td>Daido Steel</td>
<td>grenades</td>
</tr>
<tr>
<td>Dainippon Celluloid</td>
<td>smokeless powders</td>
</tr>
<tr>
<td>Dowa Metal Co.</td>
<td>detonators</td>
</tr>
<tr>
<td>Eikosha</td>
<td>detonators</td>
</tr>
<tr>
<td>Fuji Heavy Ind.</td>
<td>aircraft, jet engines, remotely-piloted vehicle (RPV)</td>
</tr>
<tr>
<td>Fukukawa Battery</td>
<td>aircraft parts</td>
</tr>
<tr>
<td>Hitachi</td>
<td>destroyers, escort ships</td>
</tr>
<tr>
<td>Hitachi Shipbuilding</td>
<td>electronic equipment</td>
</tr>
<tr>
<td>Hokushin Electric Works</td>
<td>light arms</td>
</tr>
<tr>
<td>Howa Ind.</td>
<td>grenades</td>
</tr>
<tr>
<td>Howa Machinery Ltd.</td>
<td>signal rockets</td>
</tr>
<tr>
<td>Hosoya Fireworks</td>
<td>jet engines, escort ships, destroyers</td>
</tr>
<tr>
<td>Ishikawajima Harima Heavy Ind.</td>
<td>mines, torpedos</td>
</tr>
<tr>
<td>Ishikawa Seisakusho</td>
<td>aircraft electronics</td>
</tr>
<tr>
<td>Japan Aircraft Electronic</td>
<td>detonators</td>
</tr>
<tr>
<td>Japan Electronics</td>
<td>artillery</td>
</tr>
<tr>
<td>Japan Steel Works</td>
<td>involved in F 104 production</td>
</tr>
<tr>
<td>Kanto Koku Keiki</td>
<td>aircraft, submarines</td>
</tr>
<tr>
<td>Kawasaki Heavy Ind.</td>
<td>electronics</td>
</tr>
<tr>
<td>Kayaba Ind.</td>
<td>grenades</td>
</tr>
<tr>
<td>Kobe Steel</td>
<td>aircraft electronics</td>
</tr>
<tr>
<td>Koito manufacturing Co.</td>
<td>artillery, vehicles</td>
</tr>
<tr>
<td>Komatsu Ltd.</td>
<td>explosives</td>
</tr>
<tr>
<td>Mitsubishi Chemical Ind.</td>
<td>aircraft electronics</td>
</tr>
<tr>
<td>Mitsubishi Electric</td>
<td>vehicles, tanks, artillery, ships, submarines, aircraft, missiles</td>
</tr>
<tr>
<td>Mitsubishi Heavy Ind.</td>
<td>technical assistance</td>
</tr>
<tr>
<td>Mitsubishi Precision</td>
<td>technical assistance for F 104</td>
</tr>
<tr>
<td>Mitsubishi Rayon</td>
<td>destroyers, escort ships</td>
</tr>
<tr>
<td>Mitsubishi Shipbuilding</td>
<td></td>
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</tbody>
</table>

275
<table>
<thead>
<tr>
<th>Company</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsui Chemical Ind.</td>
<td>explosives</td>
</tr>
<tr>
<td>NEC</td>
<td>fire control, equipment,</td>
</tr>
<tr>
<td></td>
<td>encoders, decoders</td>
</tr>
<tr>
<td>Nihon Kentetsu</td>
<td>grenades</td>
</tr>
<tr>
<td>Nihon Koki</td>
<td>grenades, grenades</td>
</tr>
<tr>
<td>Nippei Sangyo</td>
<td>detonators, mines, light arms</td>
</tr>
<tr>
<td>Nippon Hikoki Seizo</td>
<td>aircraft parts</td>
</tr>
<tr>
<td>Nippon Kokan</td>
<td>mine sweeping vessels</td>
</tr>
<tr>
<td>Nippon Kokuku Seizo</td>
<td>aircraft engine</td>
</tr>
<tr>
<td>Nippon Oil &amp; Fats</td>
<td>explosives</td>
</tr>
<tr>
<td>Nissan Motor</td>
<td>missiles, rockets, vehicles</td>
</tr>
<tr>
<td>Nittoku Metal Ind.</td>
<td>machine guns, light arms</td>
</tr>
<tr>
<td>Ohara Iron Works</td>
<td>vehicles</td>
</tr>
<tr>
<td>Osaka Machinery Ind.</td>
<td>artillery</td>
</tr>
<tr>
<td>Osaka Oxygen</td>
<td>aircraft parts</td>
</tr>
<tr>
<td>Ricoh Watch</td>
<td>detonator</td>
</tr>
<tr>
<td>Sanno Industry</td>
<td>detonators</td>
</tr>
<tr>
<td>Sanyo Gunpowder Ind.</td>
<td>munition</td>
</tr>
<tr>
<td>Sasebo Heavy Ind.</td>
<td>destroyers, escort ships</td>
</tr>
<tr>
<td>Seiritsu Ind.</td>
<td>electronics</td>
</tr>
<tr>
<td>Shimazu Ltd.</td>
<td>electronics</td>
</tr>
<tr>
<td>Shin Chuo Kogyo</td>
<td>detonators, mines, torpedos</td>
</tr>
<tr>
<td>Shinko Electric Co.</td>
<td>electrics</td>
</tr>
<tr>
<td>Shinmeiwa Ind.</td>
<td>aircraft</td>
</tr>
<tr>
<td>Showa Aircraft</td>
<td>aircraft</td>
</tr>
<tr>
<td>Showa Gunpowder</td>
<td>explosives</td>
</tr>
<tr>
<td>Showa Precision Machinery</td>
<td>aircraft components</td>
</tr>
<tr>
<td>Sumitomo Electric</td>
<td>aircraft components</td>
</tr>
<tr>
<td>Sumitomo Heavy Ind.</td>
<td>destroyers, escort ships</td>
</tr>
<tr>
<td>Sumitomo Metal Ind.</td>
<td>explosives</td>
</tr>
<tr>
<td>Sumitomo Precision</td>
<td>aircraft electronics</td>
</tr>
<tr>
<td>Teijin Precision Machinery</td>
<td>aircraft components</td>
</tr>
<tr>
<td>Teikoku gunpowder</td>
<td>munitions</td>
</tr>
<tr>
<td>Tokyo Aircraft Instruments</td>
<td>encoders, decoders</td>
</tr>
<tr>
<td>Tokyo Keiki</td>
<td>electronics</td>
</tr>
<tr>
<td>Tokyo Koku Keiki</td>
<td>electronics</td>
</tr>
<tr>
<td>Tokyo Screw</td>
<td>unspecified</td>
</tr>
<tr>
<td>Toshiba</td>
<td>missiles, electronics</td>
</tr>
<tr>
<td>Toyo Chemical Ind.</td>
<td>munition</td>
</tr>
<tr>
<td>Toyo Communication Equipment</td>
<td>electronics</td>
</tr>
<tr>
<td>Toyo Precision Machinery</td>
<td>munition, light arms</td>
</tr>
<tr>
<td>Watanabe Iron Works</td>
<td>mines, torpedos</td>
</tr>
<tr>
<td>Yokohama Rubber</td>
<td>electronics, tanks, pressure</td>
</tr>
<tr>
<td>Yokokawa koku Denki</td>
<td>electronics</td>
</tr>
</tbody>
</table>

APPENDIX VIII

Statement by the Chief Cabinet Secretary on SDI Research Programme

September 9, 1986

1. As a nation committed to peace, we earnestly aspire to enhanced stability in East-west relations through substantial reduction of nuclear arsenals, and to the ultimate elimination of all nuclear weapons from the world.

2. At the beginning of last year, President Reagan explained to the Prime Minister that the objective of the Strategic Defence Initiative (SDI) was the ultimate elimination of all nuclear weapons by rendering ballistic missiles ineffective through the means of non-nuclear defensive systems and we have expressed our understanding for such a research programme. We have since received and invitation from the United States Government to participate in this research programme and have been carefully considering our response thereto.

In the meantime, Prime Minister Nakasone, at his meeting with President Reagan at Bonn in May last year, confirmed with the President that (a) the initiative was not designed to seek unilateral superiority over the Soviet Union; (b) the Initiative should contribute to the maintenance and strengthening of the deterrence of the West as a whole; (c) the aim of the Initiative was to bring about substantial reduction of offensive nuclear weapons; (d) the Initiative should be carried out in conformity with the ABM Treaty and (e) consultation with allies and negotiations with the Soviet Union should precede deployment.

3. Since then, the United States has consistently explained to us that the SDI is a research programme designed to provide technical knowledge for the future U.S. decision on the development and deployment of the strategic defence systems and that the basic thrust of the programme is to conduct research on sophisticated non-nuclear defensive systems in parallel with the efforts in arms control and disarmament talks, and, ultimately, to eliminate all nuclear weapons. We think that such basic ideas of the United States are in conformity with the position of Japan committed to peace as described in 1 above.
4. The United States pursuit of the research under a programme and consequent progress of technologies related to non-nuclear defensive systems would possibly contribute to the deterrence capability of not only the United States but the West as a whole, including Japan. Furthermore, our participation in this research programme will lead to further enhancement of mutual cooperation between our two countries under the Japan-US Security Treaty, and thus is conductive to the effective operations of the Japan-US security system.

5. The SDI comprises a multitude of research projects conducted simultaneously and on a large scale to explore the feasibility of related technologies. Furthermore, if our participation in this research programme enables us to utilize its fruits in an appropriate manner, it may have substantial effects on the progress of related technologies in our country.

6. We expect that Japan’s participation will be related to particular phases of specific projects designed by the United States. In the light of the significance of our participation as stated in the previous paragraphs, we consider it appropriate to deal with the question of participation with in the framework of existing domestic laws of Japan and bilateral agreements with the United States, and in way similar the exchange of defence-related technologies has so far been dealt with. On such a standpoint, we have decided to enter into consultation with the United States Government on specific measures to ensure that the participation be carried out smoothly.

7. Although the authoritative interpretation of the Diet resolutions can only be made by the Diet; it is the understanding of the government that Japan’s participation in the SDI research programme in the manner described above is not inconsistent with the 1969 Diet Resolution concerning the exploration and use of the outer space.

APPENDIX - IX

Substance of Arrangements Relating to Japan’s Participation in SDI Research (signed July 22, 1987)

The arrangements under review provide agreement between the governments of Japan and the United States on the framework enabling entities of Japan to participate smoothly in SDI research when they so desire.

(1) The entities of Japan desiring to take part in SDI research will participate in individual SDI research projects under separate contracts (including subcontracts) with the U.S. Department of Defence or with participating enterprises.

(2) From the standpoint of ensuring smooth participation in such projects, the arrangements make provisions with respect to (i) the securing of equal terms for competition, (ii) the securing of fair treatment with regard to the utilization of the results attained by the research, and (iii) the appropriate protection of secrets.

(3) With respect to the utilization of the results attained by the research:

(i) The ownership of and the right to use technologies and information, which have been possessed by entities of Japan since before their participation in SDI research projects, will not be affected by that participation.

(ii) With regards to the results of research produced by entities of Japan through participation, they will be normally accorded at least the right to use them.

(iii) With respect to the protection of secrets, necessary and appropriate steps will be taken within the framework of the existing domestic law and the arrangements between Japan and the U.S.