



Japan-Korea Relations:  
**Treading Water, Little Progress**

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Although progress was made in resolving the Banco Delta Asia dispute between North Korea and the United States, and international inspectors were invited back into North Korea in June, relations between Japan and North Korea remain deadlocked, with no apparent progress or even political will to address the deep issues that divide them. Seoul and Tokyo made little progress on their history issues. However, the meeting of the foreign ministers of China, Japan, and South Korea this quarter was a positive step, and with elections coming up in Japan and South Korea, the prospect of further foreign policy changes appears likely.

**Japan-North Korea relations: not very good**

This quarter saw little movement in the stalemate between Japan and North Korea, as neither Tokyo nor Pyongyang has shown any political will to move forward toward normalizing their bilateral diplomatic relations or addressing the issues between them. North Korea announced that it saw no prospect for better relations between the two nations under the current government unless Japan changed its attitude toward key bilateral disputes. The centrality of the abduction issue in Japanese foreign policy and high political value that Prime Minister Abe Shinzo has placed on the abductions meant that Japan could not readily welcome the progress made in the Six-Party Talks. Like past quarter, Japan continued its unilateral sanctions against Pyongyang, even as its diplomatic efforts to link progress on the abduction issue with progress in stopping the North's nuclear program gained little support from other parties in the negotiations.

After the 13<sup>th</sup> round of normalization talks between Pyongyang and Tokyo collapsed in March, there have been no visible political initiatives to improve bilateral ties by Tokyo or Pyongyang. Instead, the quarter showed yet again the reactive nature of their relations to the development of the Six-Party Talks. Amid concerns that the North would miss the deadline to shut down its nuclear reactor because of the Banco Delta Asia dispute, the Japanese Cabinet approved a six-month extension of the trade sanctions on North Korea that were imposed after the nuclear test last October. According to Chief Cabinet Secretary Shiozaki Yasuhisa, the decision reflected Tokyo's ongoing concerns about North Korea's nuclear program as well as Japan's perception that Pyongyang lacked a "sincere attitude" in addressing the abduction issue. When Pyongyang failed to meet the April 14 deadline, Japan said that it was "extremely regrettable," and opposed to the idea

of setting a new deadline as “not appropriate.” In late April, Foreign Minister Aso Taro, speaking ahead of high-level Japan-U.S. security talks, warned North Korea of the possibility for more sanctions, saying that Japan would have “no choice but to go for tougher sanctions” if the current situation continued.

Prime Minister Abe’s April 27 summit with President Bush seemed to reconfirm unity between Japan and the U.S. about how to deal with North Korea when President Bush spoke of “limited patience” toward Pyongyang. However, Tokyo had to face the dilemma of maintaining its stance of “no aid to Pyongyang without the resolution of the abduction issue,” even while the U.S. moved ahead with more flexibility regarding the denuclearization of North Korea. In light of the developments in the Six-Party Talks, Japan’s options for pressure on Pyongyang appear to have been significantly reduced. For example, the *Asahi Shimbun* on May 14 reported that during Abe’s visit to Washington, U.S. Secretary of State Condoleezza Rice conveyed to him that resolution of the abduction issue would not be a precondition for dropping North Korea from the U.S. list of states that sponsor terrorism. Although the U.S. supports Japan’s position, it appears unwilling to let the abductions issue supersede resolution of the nuclear issue.

In late June, North Korea said that it was ready to return to the Six-Party Talks and allowed IAEA inspectors to visit the Yongbyon nuclear reactor site, but continued its attempt to sideline Tokyo from the negotiation processes. In an interview with Japan’s *Kyodo News*, Song Il-ho, the North Korean ambassador in charge of diplomatic normalization talks with Japan, said that Pyongyang did not see the point of holding bilateral talks with Tokyo under the six-party framework until Tokyo changes its attitude.

In the meantime, Japanese police added two more children who went missing in 1973 to its official list of abductees by the North, increasing the total to 19. In a separate investigation, the Tokyo police obtained arrest warrants for two Japanese women living in North Korea on suspicion of involvement in the abduction of two Japanese from Europe. In late June, the Japanese government’s debt-collection agency, the Resolution and Collection Corp. (RCC) moved to seize the headquarters of the General Association of Korean Residents in Japan (Chongryon) after the Tokyo District Court ruled that Chongryon would have to pay ¥62.7 billion in outstanding debts.

Finally, four North Korean defectors who had originally set out from Chongjin in North Korea, were discovered in a boat off Aomori Prefecture, Japan, and later transferred to South Korea after 14 days. Prime Minister Abe said that he would handle the matter “from the viewpoint of protecting human rights,” and the government announced that it would help the North Korean defectors. This was the first case in which Tokyo applied a law passed last year that stipulates that the government must protect and assist North Korean defectors. The *Yomiuri Shimbun* wrote on June 18 that Japan had not considered the possibility that North Korean defectors could reach Japan by boat and that the incident revealed the lack of preparedness by the Japanese government should more North Korean refugees reach Japan by boat.

## **Japan-South Korea relations: not very good, either**

In contrast to increasingly warm relations between Japan and China, Japan-South Korea relations remained chilly throughout the quarter. As Prime Minister Abe's push for his "Beautiful Japan" agenda took more concrete steps, Seoul expressed uneasiness and mistrust over such moves. While Abe brought constitutional revision to the fore for the upcoming House of Councilors election in July, a majority in South Korea voiced concerns over the national referendum bill, feeling that the step was dangerous and even indicative of Japan's resurgent militarism. During this quarter, although Japan and South Korea continued to compete over historical issues such as the "comfort women" issue and the naming of Sea of Japan/East Sea, they agreed to cooperate in important areas such energy and transportation.

### **Constitutional reform**

On May 3, Japan marked the 60<sup>th</sup> anniversary of its postwar "pacifist" constitution, as the Japanese Parliament approved a national referendum bill that set out the legal framework by which it would be possible to amend the constitution. Prime Minister Abe, struggling with plummeting approval ratings stemming from a pension fund scandal and the suicide of the agriculture minister, pledged to revise the constitution within three years and made it one of his policy platforms for the July 29 election. According to an *Asahi Shimbun* poll, Abe's approval rate went down to 30 percent in early June, the lowest since he took office. (The survey was conducted June 2-3.) However, some in Japan expressed concern that Abe has politicized constitutional revision to further his own political career, and was not allowing enough time for public discussion and debate. A *Japan Times* editorial on April 17 called the April 14 Lower House referendum bill "flawed" because it did not mandate a minimum-turnout rate by which referendums could be considered valid. The editorial also criticized Abe's "obsession" with the constitutional amendment, arguing that Abe timed introduction of the bill when the Japanese public was preoccupied with the lost pension records scandal. Meanwhile, *Kyodo News* on May 2 reported that the LDP's ruling coalition partner, New Komeito party, would uphold the first and second clauses of Article 9 of the constitution, not recognizing Japan's possible use of the right of collective self-defense, although they agreed to conduct individual research on gray areas of the constitution.

While Japanese politics was divided on the issue of constitutional reform, South Korea's notoriously fractious political parties were united in opposition to Japan's potential constitutional changes. Pro-government Uri Party spokesperson Suh Hae-suk urged Japan "to stop the move to return to militarism," while the main opposition Grand National Party spokeswoman Na Kyong-won expressed deep concern that the move would destabilize the region. Across the political spectrum, South Korean media reactions have carried similar messages, speaking of Japan's possible resurgent militarism and linking constitutional reform to Tokyo's approach to historical issues such as the "comfort women" and the history textbooks.

## Comfort women

Added to Abe's domestic problems with the pension scandal was the internationalization of the "comfort women" issue, as the U.S. House Committee on Foreign Affairs passed Resolution 121, calling for the Japanese government to formally apologize, and inadvertently strengthening the South Korean position on the issue vis-à-vis Japan. When Prime Minister Abe said to President Bush during their April summit that he is "deeply sorry about the situation in which they ["comfort women"] were placed," South Korean news media reacted by likening Abe's comment to "diplomatic comedy," as if a perpetrator was apologizing to a spectator instead of to the injured party. At the time of Abe's visit to U.S., a group of South Korean activists featured "The Truth about Comfort Women" in the *Washington Post*, saying that more than 200,000 women were forced by the Japanese government to serve as sex slaves. In June, a group of Japanese conservative politicians, professors, political commentators, and journalists responded with their own ad in the *Washington Post*. In an attempt to undermine House Resolution 121, the ad stated that "apologies over unfounded slander and defamation will not only give the public an erroneous impression of historical reality but could negatively affect the friendship between the United States and Japan." In South Korea, Yoon Mee-hyang, head of the Korean Council for the Women Drafted for Military Sexual Slavery by Japan, commented on the Japanese ad, saying that "I did not even bother to issue a statement on this advertisement because it doesn't even deserve a word of criticism."

## Defense developments

The Japanese Defense Ministry's interest in purchasing Lockheed Martin's *F-22* fighters from the U.S. to replace *F-15K* fighters caused quite an uproar in South Korea. While South Korean media detailed the superior performance and high price of the *F-22 Raptors* when compared to the *F-15K*, South Korean Defense Minister Kim Jang-soo said that if Japan obtained the jets, Seoul should have equivalent combat power in its arsenal. On May 7, South Korea's major daily *Joongang Ilbo*, while reporting that Japan's *F-22* bid could upset the regional power balance, quoted a South Korean Defense Ministry official as saying that Seoul "can't just buy equipment that we know is going to be obsolete in the near future." South Korea initiated a 15-year old modernization program in 2005 to streamline its manpower-based forces by introducing advanced weapons system such as *F-15* fighters, *Patriot* missiles, and *Aegis*-equipped destroyers.

This quarter, the South Korean Navy launched its first 7,600-ton destroyer equipped with the U.S.-developed *Aegis* combat system, named *Sejong the Great*, becoming the fifth country to have *Aegis* destroyers, along with the U.S., Japan, Spain, and Norway. In mid June, the Navy launched its second 1,800-ton attack submarine *Jeong Ji*. *Sejong* was the fourth monarch of the Choson Dynasty (1392-1910 CE), and *Jeong Ji* was the name of the Goryeo Kingdom (918-1392 CE) general who defeated the Japanese.

## **Cooperation continues**

However, despite friction over the predictable issues, Japan and South Korea signed an oil-sharing agreement on June 18 giving each other priority access to oil reserves held by the other country in case of a shortfall in national reserves. South Korea's commerce, industry, and energy minister stated that the Strategic Alliance Agreement (SAA) was intended to better cope with unexpected emergencies resulting from disruptions in the global supply of crude oil. The SAA agreement also includes annual meetings between Seoul and Tokyo to coordinate policies between oil companies and to exchange data on oil reserves and technical information. As of 2005, Japan was the second largest crude oil importer with daily imports topping 5.1 million barrels, while South Korea was the fifth largest importer, bringing in roughly about 2.3 million barrels per day.

Despite the "comfort women" and other issues that overshadowed bilateral ties, the quarter closed with an optimistic tone and promises for further cooperation as the foreign ministers of Japan, South Korea, and China gathered in Jeju, South Korea, with the intention of strengthening trilateral ties. Foreign Ministers Yang Jiechi from China, Song Min-soon from South Korea, and Aso Taro from Japan met both individually and together and agreed to cooperate for the resolution of North Korea's nuclear weapons' problem. Noteworthy was the fact that the meeting was the first time that the three countries had met as a group outside of the ASEAN Plus Three arrangement. The three countries avoided politically sensitive issues, and agreed to launch regular shuttle flights connecting Shanghai's Hongqiao Airport, Tokyo's Haneda Airport, and Seoul's Gimpo to make daytrips easier and to promote cultural exchanges.

Importantly, Aso and Song agreed to continue a joint study group working on their shared history. In April, the leaders of Japanese and South Korean historians met in Seoul to prepare for the second round of a joint history study. The Song-Aso dialogue also brought about the seventh round of the EEZ talks to continue efforts to resolve territorial issues between Tokyo and Seoul, but the negotiations failed to narrow the differences over where to draw the median line.

## **Economic relations**

The quarter's Japan-South Korea economic relations were mainly affected by the continuing trend of a weak yen and strong won and its implications for their respective economies. In South Korea, a view grew more prevalent that its economy is in trouble, "sandwiched" between Japan and China. In contrast, the Japanese economy posted record high corporate profits while various analyses say that employment and land prices have improved. During the quarter, monetary cooperation within a larger regional context marked a new breakthrough, although competition between Japanese and South Korean firms continued in the form of patent law suits filed against each other.

Continuing from last quarter, the won rose to a 10-year high against the yen in mid June, as Japan's Central Bank was projected to keep its key interest rate at 0.5 percent. According to South Korea's Ministry of Commerce, Industry, and Energy, during the

first four months of this year, South Korea's trade deficit with Japan reached \$10.06 billion, up 20.5 percent from \$8.35 billion in the same period last year. While the prediction that South Korea's 2007 trade deficit with Japan could exceed last year's record high \$24.5 billion is widely held, economic analysts ascribed the high trade deficit to the weak yen and a major blow to South Korea's export-oriented economy.

According to the *Korea Times*, on June 19 South Korea's Ministry of Commerce, Industry, and Energy decided to respond to this problem by providing concentrated support for small-and medium-sized firms to help them advance into the Japanese market. According to a Korea Trade and Investment Promotion Agency poll, of 71 smaller firms exporting to Japan, 78 percent said exports declined last year and five firms said their exports plummeted by over 80 percent.

The Japanese economy has performed better. The Shinko Research Institute reported that the operating profit of the 1,200 Japanese companies listed on the Tokyo Stock Exchange rose for a fourth straight year, and hit a record high ¥32 trillion last year. The recruitability index – the ratio of job openings to job applicants as an indicator of labor market conditions in Japan – rose to 1.06 in 2006, marking the first time that job openings outnumbered job applicants in 14 years. In contrast, South Korea's index was 0.48 during the same period. According to the *Choson Ilbo* on April 26, Japan is expected to have 2.14 jobs per job seeker next spring, the highest ratio since 1992. The daily reported that Japan's good performance resulted from the "Koizumi Reforms" that have led to a decrease in the number of government workers, and increasing support for private sector investments and start-ups. In contrast, South Korea's poor performance arose because the Seoul government increased the number of public servants. The *Choson Ilbo* also pointed out that South Korea's education system produces too many graduates with advanced degrees, far more than the market demands.

In May, on the sidelines of the Asian Development Bank's annual meeting in Kyoto, Japan, the "Plus Three" Finance Ministers agreed to pool foreign exchange reserves to better cope with financial crises. The Kyoto accord aims to develop into an Asian version of the IMF to provide a common emergency fund that could ease short-term liquidity problems in the region. The accord could also be viewed as an extended version of the "Chiang Mai Initiative," a bilateral currency swap arrangement that has failed to make much progress since being established in 2000. The finance ministers of South Korea, Japan, and China said that they agreed to cooperate with the Asian Bond Market Initiative (ABMI), and said that they should share information and strengthen policy discussions focused on potential risk factors such as a slowdown in the U.S. economy.

In mid-June, the four-day second South Korea-China-Japan Industrial Fair was held for the first time in Gyeonggi Province, South Korea. The *Choson Ilbo* reported June 14 that some 200 companies took part in an industrial pavilion to promote key businesses from each country. South Korea exhibited high-end consumer electronics, cars, and pop culture while Japan displayed its cutting-edge technology aimed at preparing for an aged society.

Competition between major South Korean and Japanese firms continued; Japan's Hitachi sued South Korea's LG Electronics in April, alleging that LG infringed upon its plasma display-related patents. LG filed a countersuit with the U.S. District Court of Texas. According to the *Korea Times* June 18, Hitachi requested that LG give "monetary compensation for damages" and called for the court to implement a "permanent injunction prohibiting LG's plasma display panel product sales in the U.S." LG, in response, said that the dispute was because of differences in opinion over the proprietary nature of each company's technologies. LG had a similar dispute with Matsushita (2004-2005), but ended up signing a cross-licensing agreement in April 2005. The companies were the world's largest plasma TV sellers during the first quarter this year.

## **Society and culture**

The quarter witnessed cultural events between Japan and South Korea, which showed how long a history the two countries have shared. Marking the 400<sup>th</sup> anniversary of the first Korean mission to Japan, the May 19 ceremony in Shizuoka, Japan celebrated the 12 envoys dispatched from the Korea to Japan between 1607 and 1800. The envoys visited Japan from 17<sup>th</sup> century until the early 19<sup>th</sup> century with the aim of promoting peaceful relations and recognizing each other's sovereignty. Six Japanese and Korean law makers participated in the event, led by former Culture Minister Kawamura Takeo and Korean lawmaker Park Jin. In the reenactment of the mission, Park acted as head of envoys appointed by the Joseon king. In a similar vein, the *Joongang Ilbo* reported on May 14 under the title "belated reconciliation" that the descendants of leading Korean, Japanese, and Chinese military figures from Japan's invasion of the Korean Peninsula in 1592 gathered in Andong, South Korea.

With increased cultural exchanges between Japan and South Korea, a "Japanese Wave" seemed to surface in South Korea, matching the "Korean Wave" in Japan. Reminiscent of Japanese fans waiting to see Korean actor Bae Yong-joon, hundreds of South Korean fans, mostly women, showed up at Gimhae Airport near Busan to see Japanese star Kimura Takuya, a group member of SMAP, one of the most popular celebrities in Japan.

This quarter also witnessed the reemergence of the history textbook issue as Japan's Education Ministry announced the results of its examination of 2008 high school textbooks. South Korea's conservative daily *Choson Ilbo* criticized Tokyo for allowing publishers to describe the Dokdo/Takeshima islets as Japanese territory, and for changing the phrase "the 'Sea of Japan' that we [the Japanese] use" to "the 'Sea of Japan' as generally specified in world maps" when describing the Sea of Japan/East Sea. ROK's Education Minister Kim Shin-il protested Japan's "distortion of history" in a letter to counterpart Ibuki Bummei, expressing serious regret that "Japanese students would have an incorrect understanding of history and negatively affect friendly ties between the two countries."

In South Korea, seven major private colleges are considering requiring a Korean history score from the College Scholastic Ability Test to cope with competing historical claims by Korea's neighbors. Presidents of the admissions departments at Yonsei, Korea,

Sogang, Ewha, Sungkyunkwan, Chungang, and Hanyang Universities decided to pursue this possibility. According to the president of the National Association of College Admission Department Chiefs, a number of other universities are likely to adopt the policy, which Seoul National University has followed since 2006.

Attempts to “correct history” within South Korea have been taking place in the form of seizing assets gained by pro-Japanese collaborators during the Japanese colonial periods. Since the Presidential Committee decided to enact a special law to “clear off the colonial-era legacy,” less than 1 percent of the collaborators’ total land possession was confiscated. Those who oppose such governmental actions argue that it was a belated political measure that infringes on individuals’ rights. Those who agree highlight the measure’s symbolic importance. Some descendants of pro-Japan collaborators allegedly gave up filing suits against the government’s confiscation of their inherited assets.

### **The next quarter**

The summer may see movement on the nuclear issue, and the key question will be whether North Korea and Japan make any progress on the abduction issue. Furthermore, the Upper House elections in Japan will take place in July, which may have repercussions for Abe’s ability to pursue foreign policy. If the LDP and its coalition partners win a resounding majority, Abe will be further emboldened. If his party does not do well at the polls, Abe may find it harder to retain all his ambitious foreign policy initiatives. In South Korea, the presidential race is beginning to heat up, and although the election will not be held until December, candidates are already staking out positions on both North Korea and Japan.

## **Chronology of Japan-Korea Relations April-June 2007**

**April 3, 2007:** PM Abe Shinzo says Japan wants a free trade agreement with South Korea and both sides need to make efforts to resume negotiations.

**April 10, 2007:** Japan’s Cabinet approves a six-month extension of trade sanctions against Pyongyang.

**April 12, 2007:** Japan’s police adds names of two children missing since the 1970s to their official abductee list.

**April 13, 2007:** Japan’s Lower House passes a bill on national referendums in a bid to revise the pacifist constitution.

**April 14, 2007:** North Korea misses the deadline to close the Yongbyon nuclear reactor site as mandated by the Feb. 13, 2007 agreement.

**April 15, 2007:** South Korea's *Korea Times* reports that President Roh Moo-hyun warned Japan "to stay away from its misguided nationalism ... to remove a major stumbling block to regional cooperation and peace" in an article in the latest issue of *Global Asia*.

**April 16, 2007:** Japan's Chief Cabinet Secretary Shiozaki criticizes North Korea for failing to meet the deadline to close the Yongbyon reactor site.

**April 25, 2007:** A senior White House official confirms that Tokyo is considering purchasing *F-22 Raptor* fighter jets from the U.S., putting South Korea on alert.

**April 26, 2007:** The *Choson Ilbo* reports that Japan will have 2.14 jobs per job seeker, the highest ratio since 1992, next spring due to the "Koizumi Reforms."

**April 26, 2007:** Hundreds of South Korean fans greet Kimura Takuya, a popular Japanese celebrity, at Busan's Gimhae Airport. Kimura is on location in Busan to film a cinematic version of the Japanese hit drama "Heroes."

**April 26, 2007:** 121 Coalition, a group created to support the passage of House Resolution 121 that calls upon the Japanese government to apologize for using women and girls as sex slaves, takes a full-page ad out in the *Washington Post* calling attention to the "comfort women" issue.

**April 27, 2007:** PM Abe has summit with President Bush and discusses the North's nuclear program, "comfort women," and other bilateral issues.

**April 28, 2007:** Japan's FM Aso Taro warns Pyongyang of tougher sanctions if "the situation continues as it is" ahead of high-level Japan-U.S. security talks.

**May 2, 2007:** ROK government announces plans to seize assets gained during the Japanese occupation (1910-1945) from alleged collaborator families.

**May 3, 2007:** Japan's postwar pacifist constitution marks 60<sup>th</sup> anniversary. PM Abe renews his call for revising the charter.

**May 5-6, 2007:** The "Plus Three" (Japan, South Korea, and China) countries adopt the Kyoto accord to pool their currencies to prepare for financial crises in the region on the sidelines of the Asian Development Bank annual meeting.

**May 7, 2007:** *Joongang Ilbo* reports Japan's *F-22* bid could upset the regional power balance.

**May 8, 2007:** Japan's *Kyodo News* reports that PM Abe sent offerings to Yasukuni Shrine in a "private capacity" in late April. South Korea's Foreign Affairs and Trade Ministry says it was "very regrettable" and calls for a "correct perception of history."

**May 9, 2007:** South Korea's Education Minister Kim Shin-il protests the results of Japan's examination of 2008 high school textbooks over the descriptions of "comfort women," Dokdo/Takeshima islets, and Sea of Japan/ East Sea.

**May 10, 2007:** Japanese and South Korean defense and foreign affairs officials meet for one-day talks to discuss ways to resolve North Korea's nuclear program.

**May 14, 2007:** Japan's *Asahi Shimbun* reports that U.S. Secretary of State Rice informed PM Abe that resolution of the abduction issue would not be a precondition to drop North Korea from the list of states sponsoring terrorism during Abe's visit to Washington, D.C.

**May 14, 2007:** Japan's Parliament passes bill setting out referendum procedures for constitutional amendment.

**May 14, 2007:** The *JoongAng Ilbo* reports under the title "belated reconciliation" that the descendants of leading Korean, Japanese, and Chinese military figures from Japan's invasion of the Korean Peninsula in 1592 gathered in Andong, South Korea.

**May 15, 2007:** South Korea's Uri Party and Grand National Party voice concerns over Japan's moves to change its pacifist constitution.

**May 19, 2007:** The ceremony commemorating the 400<sup>th</sup> anniversary of the first Korean mission to Japan is held in Shizuoka, Japan.

**May 20, 2007:** *The Associated Press* reports that the UN Committee Against Torture accused Japan of trying to whitewash its practice of forcing women to becoming sex slaves for the Japanese Imperial Army.

**May 22, 2007:** Seven private universities (Korea, Sogang, Sungkyunkwan, Yonsei, Ewha, Chungang, and Hanyang) adopt Korean history test requirement as part of college entrance examination beginning 2010.

**May 25, 2007:** South Korean Navy launches first 7,600-ton *Aegis* destroyer, *Sejong the Great*.

**May 31, 2007:** Japan's High Court rejects appeals by seven South Korean women demanding the Japanese government and Mitsubishi Heavy Industries Ltd. pay compensation for forced labor during World War II.

**June 2, 2007:** Four North Korean defectors arrive in Japan's Fukaura port by boat with an aim to reach South Korea. They are put in protective custody for two weeks.

**June 3, 2007:** FMs of Japan, South Korea, and China meet in Jeju and agree to launch regular shuttle flights connecting the three countries.

**June 13, 2007:** South Korean Navy launches its second 1,800-ton submarine *Jeong Ji*.

**June 13, 2007:** Bank of Korea reports South Korea's economic growth was lower than most Asian competitors during the first quarter due to a stronger Korean currency and high oil prices.

**June 13-16, 2007:** The second Korea-China-Japan Industrial Fair takes place for the in Gyeonggi Province, Korea.

**June 14, 2007:** A full page advertisement in the *Washington Post* – running under the header “The Facts” – is taken out by Japanese Diet members and commentators, disputing claims that Japan engaged in “forceful coercion” of “comfort women.”

**June 16, 2007:** Family of North Korean defectors arrives in South Korea after two weeks of custody in Japan.

**June 18, 2007:** Japan and South Korea sign oil sharing agreement to support each other in the event of supply disruptions.

**June 18, 2007:** Tokyo District Court rules against the pro-Pyongyang group Chongryon to repay ¥62.7 billion in debts to the government-backed Resolution and Collection Corp.

**June 18, 2007:** South Korea's LG files a counter-suit with the District Court in Texas, against Japan's Hitachi Ltd. Hitachi sued LG in April alleging that LG infringed its plasma display-related patents.

**June 18, 2007:** Tokyo and Seoul hold EEZ talks but fail to come to an agreement.

**June 19, 2007:** ROK Ministry of Commerce, Industry and Energy announces that the government will help small-and medium-sized firms advance into the Japanese market to counter the trade deficit with Japan created by the fall in the won-yen exchange rate.

**June 20, 2007:** *Mainichi Shimbun* reports that Shigeie Toshinori, ambassador in charge of Okinawa, has been named Japan's new ambassador to South Korea.

**June 21, 2007:** Japan's *Yomiuri Shimbun* reports that North Korea fired one short-range missile into the sea east of the Korean Peninsula.

**June 25, 2007:** North Korea announces that it is ready to fulfill their part of the Feb. 13 six-party agreement and allow in International Atomic Energy Agency inspectors.

**June 26, 2007:** U.S. House Resolution 121 passes the House Foreign Affairs Committee, calling for the Japanese government to formally apologize for the “comfort women” issue. The bill moves to a full House vote.

**June 27, 2007:** *Kyodo News* reports that Song Il-ho, the North Korean ambassador in charge of diplomatic normalization talks with Japan, said that Pyongyang did not see the point of holding bilateral talks when Japan does not have the right attitude.