

COMPARATIVE

CONNECTIONS

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JAPAN-CHINA RELATIONS

A PERIOD OF COLD PEACE?

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In the sole high-level meeting in the report period, on the sidelines of the APEC meeting in Bangkok in November, General Secretary/President Xi Jinping and Prime Minister Kishida Fumio essentially talked past each other. At an earlier ASEAN+3 meeting in Phnom Penh, Premier Li Keqiang and Kishida not only talked past each other but pointedly walked past each other. There was no resolution of major issues: the Chinese position is and remains that Taiwan is a core interest of the PRC in which Japan must not interfere. Japan counters that a Chinese invasion would be an emergency for Japan. On the islands known to the Chinese as the Diaoyu and to the Japanese as the Senkaku, Tokyo considers them an integral part of Japan on the basis of history and international law while China says the islands are part of China. On jurisdiction in the East China Sea, Japan says that demarcation should be based on the median line and that China's efforts at unilateral development of oil and gas resources on its side of the median are illegal. Beijing does not recognize the validity of the median line.

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Economically, a number of Japanese industries have been decoupling from China out of concern for the integrity of their supply chains and for security reasons while others are planning to expand operations there. Both sides continued their respective defense buildups while accusing the other of military expansionism.

Politics

In early September, Japanese Foreign Minister Hayashi Yoshimasa stated his willingness to [meet](#) Chinese counterpart Wang Yi on the sidelines of the UN General Assembly (UNGA) opening meeting, while stressing that nothing had been decided. One reason for the ambiguity is likely to have been that Japanese conservatives, having opposed Hayashi's appointment as foreign minister—Hayashi had been head of a China-Japan friendship organization before assuming his post—are very wary of what he might do. In the end, Hayashi, claiming “scheduling difficulties,” did not meet Wang. However, he pledged to continue to seek dialogue. This was not the first postponement: the two had been scheduled to meet at an ASEAN meeting in early August, but Wang Yi canceled the talks due to Nancy Pelosi's trip to Taiwan. A few weeks after the UN gathering, Japan's top national security adviser Akiba Takeo and Chinese counterpart Yang Jiechi met in mid-August in Tianjin, but reached no agreement on outstanding issues.

Kishida met Xi on the margins of the Asia Pacific Economic Cooperation (APEC) leaders' forum in Bangkok in mid-November, their first known conversation since October 2021, when Xi made a brief and perfunctory congratulatory call to Kishida on his first day in office. Reportage from the two sides showed marked differences. Center-right *Yomiuri*, Japan's largest circulation daily, [described](#) Kishida as being proud that he had followed through on his publicly declared plan to “say what needs to be said” on matters such as Taiwan, the Diaoyu/Senkaku Islands, and demarcations between the two countries' territorial waters. The paper opined that Kishida, from an LDP faction regarded as friendly toward China, was trying to reach out to Beijing while staying keenly aware of negative views of China in Japanese domestic public opinion. The centrist economic daily *Nikkei* [added](#) that Kishida declined to comment on Xi's reply, saying that doing so would violate diplomatic protocol.

By contrast, Chinese state news agency *Xinhua* reported that Xi and Kishida reached a [5-point consensus](#) on stabilizing and developing bilateral relations, stressing that the two countries should “be partners, not threats.” According to the agency, they also agreed to open a direct telephone line as a maritime and aerial liaison mechanism under their defense departments at an unspecified early date, improve dialogue and communication between defense and maritime departments, and jointly abide by the four-point principled agreement reached in 2014. *Xinhua* made no mention of Kishida's remarks on areas of dispute. In an address to ASEAN+3 in Phnom Penh a few days earlier, Kishida said that China was continuously and increasingly taking actions that [infringe](#) on Japan's sovereignty and escalate tensions in the region, adding that peace and stability in the Taiwan Strait are important for regional security and voicing “serious concern” over the human rights situation of the Uyghur people. China's foreign ministry termed Kishida's statement on Chinese actions relating to sovereignty [absurd](#), since China—relying on its own definition of the demarcation of territory—had never violated Japan's sovereignty in the East China Sea. Continuing with its anti-China strategy, the foreign ministry spokesperson warned, might result in “severe damage in almost all spheres, be they the economy or the military.” After a Spanish NGO [claimed](#) that China may have established two overseas police bases in Japan – a report that Tokyo apparently took seriously -- the foreign ministry informed its Chinese counterpart that any activities that could infringe on Japan's sovereignty were “absolutely unacceptable.”

Speculation in Japan on who would be designated to attend the state funeral of former Prime Minister Abe was settled in late September when Beijing announced that China's [representative](#) would be Wan Gang, vice chairperson of the National Committee of the Chinese People's Political Consultative Conference. Wan is not a member of the Communist Party and is of lower rank than Vice President Wang Qishan, who attended the state funeral of Queen Elizabeth II. Whether this was a calculated insult was debatable, since the choice of a lower-level representative could reflect the fact that Abe was not prime minister at the time of his death. Those who disagreed pointed out that the prime ministers of Canada, India, and Singapore would attend as well as numerous former prime ministers of other countries and US Vice President Kamala Harris. Trudeau had to cancel

at the last minute when devastating storms knocked out power and destroyed homes in eastern Canada.

The activities planned for the commemoration on the 50th anniversary of the normalization of China-Japan relations, once hoped to serve as a harbinger of warmer, or at least warming, ties, were a disappointment. Several events were sponsored by private groups such as trade associations or Sino-Japanese friendship organizations. Neither Xi Jinping nor Kishida attended. Underscoring that warmer words did not signal a softening on issues dividing them, on the day before the anniversary, three Chinese [coast guard vessels](#) entered Japan's territorial waters near the Senkaku Islands and stayed for more than eight hours. Tokyo lodged its standard stern protest with Beijing over the intrusion, which it said violated international law. Since China claims sovereignty over the islands, Beijing continues to maintain that there is no such violation. *Associated Press* described Tokyo's major event [commemorating](#) anniversary of China-Japan diplomatic ties as lacking a celebratory mood. The 850 guests saw videos on the development of ties, listened to China-friendly former Prime Minister Fukuda Yasuo discourse on the need for constructive relations, and heard the Chinese ambassador proclaim once again that bilateral ties were at a crossroads. A similarly low-key reception marking the anniversary was held in Beijing, at the Diaoyutai state guesthouse. Remarks on the need for dialogue notwithstanding, there was no mention of plans for a long-postponed state visit.



Figure 1 A reception is held by the Chinese embassy in Japan to celebrate the 73rd anniversary of the founding of the People's Republic of China and the 50th anniversary of the normalization of diplomatic relations between China and Japan in Tokyo on Sept. 22, 2022. Photo: Xinhua

As China shored up support among countries that were recipients of its financial largesse through the Belt and Road Initiative, Japan stepped up its own aid initiatives. Contrasting Japanese aid with that of Japan, the normally China-friendly *South China Morning Post* cited analysts who [characterized](#) Japanese aid to Africa as favoring quality, in contrast to Chinese aid that concentrated on quantity. Japan, the paper added, has been investing in the continent for longer than China and applies international standards to its infrastructure financing, whereas China does not. Although Japan's pockets may not be as deep, its support of good governance and democratic principles makes it a tempting development partner for African states.

Japan reached out to other states who were concerned with countering Chinese expansion. The first formal [meeting](#) of the Blue Pacific Partners (BPP), intended to keep China in check by providing large-scale economic assistance to Pacific Island nations, was held in New York in September with members Japan, Australia, Britain, and New Zealand, joined by Canada and Germany who announced their intention to join. Topics included climate change, illegal fishing, infrastructure development, and other issues that are a priority for Pacific Island states. In September, an ad entitled "Japan's Vision for the Indo-Pacific" appeared in major newspapers such as *The Wall Street Journal* inviting readers to click to "discover more." Doing so directed them to a lengthy [article](#) on Japan's efforts to create business partnerships along the lines of Prime Minister Kishida's aim to create a new form of capitalism whose focus is sustainability and accelerating growth through human capital. Such ads may be a result of the Japanese government's finding, referenced in the previous reporting period, that in contrast to China, that it was not receiving adequate credit for aid to the region. Along the same lines, "Envisioning a Future Together," a paid [article](#) in *Nikkei* on the same day, featured CEO Kashitani Ichiro describing Toyota Tsusho's 100 years in Africa, where it employs 2,000 people and operates in mobility, health care, consumer goods, power, infrastructure, and technology.

Taiwan remained a major irritant between China and Japan, with the Japanese government several times affirming its position that an attack on Taiwan was an emergency for Japan and China, with China riposting that the status of Taiwan was an internal matter for China that brooked no interference. Speaking in Taiwanese (Hoklo) at

the [inauguration](#) of the Taiwan Parliamentary All-Out Defense Committee, the deputy head of Japan's de facto embassy in Taipei, the Japan-Taiwan Exchange Association, Yokochi Akira, received a standing ovation when he reiterated former Japanese Prime Minister Abe's remark equating a Taiwan emergency with a Japanese emergency. In September, Taiwan's Hongmaogang temple [unveiled](#) a larger than life bronze statue of Abe inscribed "eternal friend of Taiwan" on its pedestal. The temple, in Kaohsiung, has been worshipping the deity of a World War II Japanese naval officer for the past 70 years, and has a close relationship with Japan. At least three separate delegations of Diet members visited Taiwan during the report period; during one of them, the temple announced that it had [commissioned](#) an additional statue of Abe that would be presented as a gift to Japan.

The lawmakers also paid tribute at the grave of Taiwan-friendly former President Lee Teng-hui, met Taiwanese President Tsai Ing-wen, and were shown the proximity of Taiwan to Japan's Yonaguni Island. In another visit, LDP policy chief Hagiuda Koichi, regarded as a likely successor to Kishida as prime minister, [praised](#) Taiwan as an extremely important partner and valued friend of Japan with whom Japan shares fundamental values such as liberal democracy, basic human rights, and the rule of law as well as close economic relations and personal exchanges. As with other delegations, Hagiuda visited Tsai and paid respects at the grave of former President Lee.

There were a few bright spots in the generally frosty political relationship. On the anniversary of normalization, the China friendly center-left *Asahi*, Japan's second-largest circulation daily, ignoring poor bilateral relations, ran a [story](#) headlined "Young Japanese, Chinese Hold No Hard Feelings About History," containing a number of anecdotes and interviews from both sides about coming to appreciate the other's culture, accompanied by a photo of a young Japanese woman eating, and saying how much she had come to enjoy, China's legendarily odiferous stinky tofu. On the same day, *Xinhua* reported that Japan had issued commemorative [stamps](#) with pictures of giant pandas eating bamboos surrounded by crimson peonies and pale pink cherry blossoms. A [lantern festival](#) at Japan's Manpukuji temple, founded by a Chinese monk in the 17th century, commemorated the 350th anniversary of his death and the 50th

anniversary of the establishment of China-Japan relations. Visitors passed through what the temple called a gate of friendship and admired grounds that were illuminated by 30 lanterns sent by Chinese craftsmen. In December, China's consul-general in Osaka announced that giant panda Eimei/Yong Ming had been appointed a special [envoy](#) for China-Japan friendship, though how effective Eimei/Yong Ming can be in this new role is problematic since he is to be repatriated in February. In an odd choice of words, the consul-general in Osaka said that he hoped "more Japanese people can turn love for pandas into love for humanity." But the prevailing mood remained pessimistic.



Figure 2 A bronze statue of former Japanese Prime Minister Abe Shinzo, inscribed "eternal friend of Taiwan", on its pedestal at Taiwan's Hongmaogang temple. Photo: Chang Chi-hsiung via Taipei Times

Economics

Both China and Japan struggled with currency problems. Chinese economic production declined as a result of stringent anti-COVID lockdown restrictions added to its already shaky financial system, higher energy prices, and a distressed property sector that amounts to a fifth of the nation's GDP. The value of both the yuan and the yen declined, with the former teetering on the edge of seven to the dollar and the latter plunging to a 24-year low. As the year ended, Chinese manufacturing and service-sector activity [fell](#) to

their lowest levels since the initial days of the coronavirus pandemic in early 2020 with major financial analysis group Rhodium [predicting](#) that even the best COVID endgame is unlikely to deliver a rosy 2023 and that in the absence of major structural reforms growth of 0.5% is likely; assuming successful reforms, 1-3% was possible. Since China is Japan's largest trading partner, its economy inevitably suffers a knock-on effect from a declining Chinese economy.

There were fears on both sides that the “hot economics, cold politics” of recent decades could not be sustained indefinitely and that decoupling would affect corporate bottom lines. At the end of September, signaling that the Chinese government remained eager for Japanese investment, Premier Li Keqiang held a high-level video dialogue with representatives of the Japanese business community, including executive members of Nippon Keidanren (Japan Business Federation), the Japan-China Economic Association and the Japan-China Investment Promotion Organization. Topics ranged from China-Japan relations, economic and trade cooperation, responses to global economic and financial challenges, climate change, and population aging, with Li welcoming the Japanese business community to continue to seize development opportunities and actively expand its presence in the Chinese market to achieve win-win results. Li expressed his hope that they would make good use of the Regional Comprehensive Economic Partnership (RCEP), which the Japanese government had signed onto with some misgivings, to tap regional economic growth potential. It is no accident that Japanese business interests were sponsors of several events related to the 50th anniversary of normalization ceremonies.

A number of Japanese industries have been decoupling from China, either reshoring or moving operations elsewhere out of concern to protect supply chains from disruption or from concerns with national security. Though Chinese sources tended to blame recent US pressure for decoupling, in fact the number of Japanese companies operating in China had been [declining](#) for more than a decade from 14,394 in 2012—not coincidentally the year of large anti-Japanese riots and demonstrations against Tokyo's purchase of three of the Senkaku islands from their Japanese owners—to 12,706 in June 2022. Japanese credit research company Teikoku Databank Ltd, attributed the drop not to US pressure but to rising labor costs that prompted

Japanese companies to move to Southeast Asia and other regions. Japanese business executives have also complained about bothersome and arbitrary regulations.

In December, the *Financial Times* reported that many carmakers were quietly cutting [ties](#) with China due to supply chain issues amid concerns about a breakdown in China's relations with the international community, as with Russia, that could threaten trade plus uncertainty about COVID. According to experts interviewed by the paper, China is not the only nor even the best supplier of vehicle parts with numerous options across India, Mexico, and parts of north Africa and Asia. Mazda is homeshoring components, said one of the company's executives, with robustness of the supply chain becoming more important than cost as the major driving factor. Honda, using more circumspect language, is also considering “ways to cut supply chain risks.” Parts for the Chinese market will consider to be manufactured in China.

Also choosing to leave was Daikin Industries, one of the world's leading manufacturers of air conditioners, which announced [plans](#) to create a supply chain that excludes China. Daikin will replace Chinese parts in its products by January 2024 with Japanese-made parts, including those that conserve energy and will encourage suppliers to manufacture their products outside China. Many of the firms choosing to leave cited national security implications as motivation.

In November, the Japanese government announced that it would [earmark](#) ¥1.358 trillion (\$10.3 billion) in its second extra budget of fiscal 2022 to strengthen supply chains of products such as semiconductors, cloud computing devices, batteries, and rare earth elements that are considered highly important for economic security. A week later, eight major Japanese firms agreed to form a new company called Rapidus to [produce](#) next-generation semiconductors in Japan with the goal of establishing the manufacturing technology for the sake of Japan's economic security by the latter half of the 2020s. Rapidus plans to [develop](#) 2 nanometer (2 billionths of a meter) semiconductors, for which the production technology has not yet been established. The eight firms—Toyota Motor Corp., NTT Corp., Sony Group Corp., NEC Corp., SoftBank Corp., Denso Corp., Kioxia Corp. (formerly Toshiba Memory Corp.), and MUFG Bank—will invest ¥7.3 billion in Rapidus. The firm will collaborate in research and

development with the Leading-edge Semiconductor Technology Center (LSTC), a technology-research association to be established as early as the end of this year under the stewardship of the Ministry of the Economy, Trade and Industry (METI). The LSTC will be established based on an agreement between the Japanese and US governments reached in July and will work with US companies such as IBM Corp. and US research institutions. Rare earths, a field in which China had achieved virtually complete dominance in refining, was another concern. At the end of October, the Japanese government announced that it planned to [deploy](#) technology tested off the coast of Ibaraki to extract the elements from 6,000 meters under the sea near the Ogasawara Islands. The government wants private companies to enter the market from fiscal 2028.

It seemed that most Japanese companies planned to stay in China, or at least keep manufacturing items there intended for the Chinese market. In several industries, this meant expanding operations in China rather than scaling back or reshoring. In the case of convenience stores, Japan's three largest chains—Lawson, Family Mart, and Seven-Eleven—having saturated the domestic market, are rapidly increasing the number of [outlets](#) across China. The Chinese government, aware of popular dissatisfaction with food supplies during the pandemic, encouraged the expansion of convenience stores. In a second case, reacting to a decline in the domestic demand for sake, Japanese brewers are rapidly increasing [exports](#) to China, which are now about 50 times larger than a decade ago. By contrast, demand in Japan has dwindled to less than 30% of its peak nearly five decades ago. Companies in areas besides food and drink also expanded operations. In November, leading Japanese furniture retailer Nitori [opened](#) its first stores in Beijing, hoping to increase its total Chinese outlets from 59 to 100 by the end of 2023. Nitori, like Ikea, is unusual in that it designs, produces, and sells its own products. In the same month, in anticipation of easing restrictions on COVID, upscale children's brand Miki House made a [deal](#) with Trip.com, one of China's largest travel agencies, offering product discounts and other perks for tourists staying at designated kid-friendly hotels featuring Miki House products, including Miki House-themed children's beds and toys. Collaborative operations continued: Japan's giant Sumitomo Corporation signed [a partnership agreement](#) with an Indonesian partner of PowerChina to

jointly develop a hydroelectric power station estimated to cost \$17.8 billion on the island of Borneo. Toyota-based Chinese autonomous vehicle company Pony.ai will [collaborate](#) with Chinese state-owned and largest automaker SAIC to produce a fully driverless robotaxi. The startup is valued at \$8.5 billion. In sum, apart from national security-related areas, decoupling has been selective: the outlook is for a continuation of hot, or at least warm, economics.



Figure 3 Japanese company Sumitomo Corp. signs an agreement with the Indonesian partner of Power Construction Corp. of China to jointly develop a hydroelectric power station. The project, called Kayan Cascade, is part of China's Belt and Road Initiative. Photo: Erwida Maulia via Nikkei Asia

Defense

The major story in this period concerned Japan's revision of its defense policy. Perhaps not coincidentally, the first [meeting](#) of the panel met at the prime minister's office on the anniversary of the normalization of China-Japan diplomatic relations, with Prime Minister Kishida instructing the 10 experts, headed by former Ambassador to the US Sasae Kenichiro, that no option was to be ruled out. Topics mentioned included strategies to be employed, how best to equip the Self-Defense Forces (SDF), and how to obtain the necessary financial resources. The experts were instructed to compile their recommendations by early December in preparation for the revision of three defense-related documents, including the National Security Strategy, and the compilation of the budget by the end of the year. Topics of their deliberations appeared periodically in the press: cyberdefense would be a major component of projected reforms; a [framework](#) would be created for the utilization of space enhanced by the SDF and coast guard as well as increased cooperation between the SDF and organizations such as the Japan Aerospace Exploration Agency. A recurring theme was the need to improve inter-service

cooperation. This included plans for the MSDF and coast guard to conduct a [joint drill](#) simulating an armed attack on the Senkaku Islands. After the exercise, which would be held for the first time, guidelines on procedures would be compiled concerning the coast guard's involvement in the event of an armed attack. Another worrisome vulnerability has been a sharp [decline](#) in the number of industries doing defense work. Those choosing not to continue to participate cite low profit margins and bothersome regulations.

As the experts' deliberations proceeded, Chinese ships continued to sail into waters claimed by Japan and to harass Japanese fishing boats. Sometimes their activities were coordinated with [exercises](#) by Russian ships, causing concern in Tokyo about tag-teaming, given the confluence of Chinese claims in the East China Sea and Russia's control of islands in the southern Kuriles that are claimed by Japan. By the end of the year, Chinese coast guard vessels had intruded on territorial waters [claimed](#) by Japan for over 72 hours, the longest continuous intrusion since 2012. In November, a coast guard vessel armed with a 76mm gun heretofore seen only on navy ships, entered Japan's territorial waters for the first time. Beijing apparently seeks to normalize such sailings.

The urgency of enhanced defense was [underscored](#) when Chinese missiles landed within Japan's exclusive economic zone. The defense ministry plans to put two surveillance satellites into [operation](#) and is reportedly also considering adding a function to the second satellite to interfere with the activities of Chinese and Russian killer satellites in orbit. The government continued to take steps to protect the country's outlying islands, for example planning to [reinforce](#) missile and electronic warfare units stationed on the Nansei Islands near Taiwan. To [strengthen](#) the defense of these islands, the SDF will get Israeli *Harop* and US *Switchblade* drones on a trial basis beginning in FY2023 (the Japanese fiscal year begins April 1). From 2025, several hundred drones, including those of Japanese manufacture, will be deployed. The decision on deploying drones came a few days after China [announced](#) that it had developed an equivalent to the *Switchblade*, the *FH-901*, which can either be launched from the ground or released by an aircraft in the sky, including from another, larger, drone. Also to be deployed is a [network](#) of 50 compact satellites in a low Earth orbit to track next-generation hypersonic

missiles capable of evading current defense systems. The satellites, designed to work together in a coordinated and integrated manner, will make frequent passes over specific targets, giving Japan an additional window to assess whether enemy military units are preparing to mount hostile action. The deployment of hypersonic missiles by 2030 is being weighed, [envisioned](#) as the third and final stage of a process preceded by the acquisition of *Tomahawk* and other battle-tested cruise missiles from the US and then extending the range of the indigenous Type 12 surface-to-ship missile from the current 200 km to over 1,000 km. The defense ministry has submitted a \$7.1 billion [request](#) for a sea-based *Aegis* system that is to be installed on a new, larger destroyer that would be the size of an aircraft carrier. Citing China's mounting military [pressure](#) in the region, the Japanese defense ministry announced that it will move command centers underground at four SDF facilities by fiscal 2028 and implement measures against electromagnetic pulse attacks at five ASDF bases by fiscal 2029 in preparation for such situations as an emergency in Taiwan. It will also begin building evacuation shelters for residents of Okinawa Prefecture's Sakishima Islands, which is close to Taiwan.

The Chinese government railed against these developments, with Chinese foreign ministry spokesperson Wang Wenbin describing Japanese concern with a "China threat" as an [excuse](#) for military aggrandizement. Beijing, already concerned about the AUKUS agreement for the UK and the US to build nuclear submarines for Australia, [warned](#) Tokyo against participating in a JAUKUS, saying that doing so would create more strategic instability for the whole Asia-Pacific region and accusing the US of wanting Japan as an obedient little brother it can use as a front-line base against China and Russia. *China Daily* warned that "dancing with the wolf is not going to help you, dear Japan...It is in the nature of wolves to attack humans and consume their flesh."

The defense revisions were not without controversy within Japan. In a [poll](#) published in October, 79% percent of respondents favored increased defense expenditures and 21% were not, although a November [poll](#) showed that although 79% of Japanese feel a sense of crisis about the situation in Taiwan, 74%, were opposed or relatively opposed to the SDF joining with the US military to fight the Chinese military. Only 22% indicated approval or relative approval.

Asahi kept up a steady stream of criticism against the cost of the reforms, the haste in which the committee formulated its proposals, and the fact that the final report was “a [done deal](#),” whose timing was wrong since Kishida should have waited for an official decision on whether Japan should possess the capability to pre-emptively strike enemy bases that is a major reason for the increase. In addition, with national debt exceeding ¥1 quadrillion, the paper complained, it was beyond irresponsible to simply dump all the burden on future generations. There had in fact been quite a controversy in the deliberations, with the LDP’s junior coalition partner the Komeito being resolutely opposed to including the acquisition of counterstrike capabilities and to referring to China as a threat. Komeito was able to pull the defense policy debate in a more [dovish](#) direction, agreeing to counterstrike capabilities under restricted conditions, changing “serious security threat” to an “unprecedented strategic challenge” and blocking the LDP’s desire to scrap a legal provision stating that the coast guard will not function as a “military” organization. The revised security documents only say that the coast guard should “constantly coordinate and cooperate” with the SDF. Chinese sources immediately denounced the documents and on Dec. 17, a day after their release, conducted [drills](#) that simulated attacks on Japan’s Nansei Islands.

Chinese anger and *Asahi*’s opposition notwithstanding, how much of the strategy will come to fruition remains to be seen. Many of the reforms are not expected to be implemented until 2025 or later. And, although there is broad consensus on raising taxes to pay for the reforms and increase defense spending to 2% of GDP, the thorny question is taxes on whom and in what form. The same is true on stemming the exodus of companies producing defense-related items: what should the level of subsidies be and what form would the government-private partnership take. On the reform of the SDF, improving inter-service coordination and integrating the coast guard into its operations have been talked about for decades with little progress. Staffing levels for the SDF are an ongoing problem since the forces have not been meeting recruitment quotas for years and the new strategy does not boost the size of the SDF above a ceiling of 247,000 set a decade ago. According to former and current SDF officers, Japan’s [plan](#) to undertake its biggest military build-up since World War II without increasing the services’ headcount is flawed, casting doubt over efforts to deter China and

North Korea. Improved technology will require trained personnel to operate and maintain the equipment. While pivoting to drones could help, doing so would take years and require additional trained staff.

The Future

Despite generally amicable trade relations, the outlook for 2023 gives little hope for optimism. As the year closed, Xi Jinping and Vladimir Putin affirmed their mutual support -- always a concern for Japan because of its implications for Sino-Russian cooperation over disputed territories in the East China Sea and the Southern Kuriles—while Kishida prepared for a state visit to Washington to meet US President Joe Biden, whom Chinese state media regularly portray as a puppet master [manipulating](#) Japan into an anti-China stance. Chinese sources warn that Japan is returning to militarism even as the PLA continues to patrol contested areas and China announces the latest advances in its military’s high-tech weaponry. Hopes that celebrations of the 50th anniversary of the normalization of diplomatic relations would soften political interaction were dashed, nor have occasionally voiced thoughts that tourism, student interchanges, and exchanges of art objects would lead to better mutual understanding been borne out. Student exchanges and tourism are not necessarily problem free and have sometimes increased animosity. If Kishida and Foreign Minister Hayashi have not been as compliant as Xi had hoped —and that Japanese conservatives dreaded they would be—there is little hope that their successors will be an improvement from Beijing’s point of view. Speculation in Japan is that LDP policy chief Hagiuda’s trip to Taiwan was intended to position himself as the heir to Taiwan-friendly Abe’s legacy and to his prime ministership as well. *China Daily*, began a year-end [piece](#) with the hopeful title “shared destiny bound to bring neighbors together” but followed by admonishing Japan for a litany of transgressions including military expansion and decoupling, contrasting its behavior with China’s consistent policy of peace and promoting economic interdependence. Barring a major event like a Chinese invasion of Taiwan, the future is likely to be a cold peace in which Tokyo and Beijing try to coexist while dealing with underlying tensions that have the potential for escalation into outright confrontation.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

SEPTEMBER—DECEMBER 2022

Sept. 1, 2022: In light of Japan’s deteriorating national security environment, the defense ministry [requests](#) a 3.6 % increase for fiscal 2023, just below last year’s record-setting amount.

Sept. 1, 2022: Chinese Foreign Ministry spokesperson Wang Wenbin [describes](#) Japanese concern with a “China threat” as an excuse for military expansion.

Sept. 2, 2022: An article in right-of-center *Japan Forward* [accuses](#) Chinese behavior of replicating that of militaristic Imperial Japan.

Sept. 2, 2022: Reports [say](#) Japan’s Defense Ministry plans to reinforce missile and electronic warfare units stationed on the Nansei Islands near Taiwan.

Sept. 3, 2022: Lu Chao, research fellow at the Liaoning Institute of Social Sciences, [tells](#) *Global Times* that Japan remains a factor of uncertainty and a disturber of regional peace and security.

Sept. 3, 2022: LTG Stephen Rudder, commander of US Marines in the Indo-Pacific region, [says](#) that US and Japanese possession of long-range missiles are key to deterring China, and urges a wider US-Japanese intelligence gathering network.

Sept. 3, 2022: *Yomiuri* editorial [urges](#) China to rectify its behavior based on violations cited in the report of the UN High Commissioner for Human Rights.

Sept. 3, 2022: Japanese Foreign Minister Hayashi [states](#) his willingness to meet Chinese counterpart Wang Yi on the sidelines of the UN General Assembly’s opening meeting, while stressing that nothing has been decided.

Sept. 3, 2022: Japan’s Defense Ministry reportedly [plans](#) to submit a \$7.1 billion [request](#) for a sea-based *Aegis* system to be installed on a new, larger destroyer that would be the size of an aircraft carrier.

Sept. 5, 2022: *Global Times* [states](#) that unless Japan is willing to resolve key points of friction in its China policy, nothing can be accomplished.

Sept. 6, 2022: Chief Cabinet Secretary Matsuno Hirokazu [expresses](#) serious concern about six Russian and Chinese warships firing machine guns into the Sea of Japan during joint maneuvers off Hokkaido.

Sept. 6, 2022: Defense Minister Hamada Yasukazu [says](#) that more fuel and ammunition storage facilities will be stored on the Nansei Islands.

Sept. 6, 2022: *Global Times* [praises](#) the introduction of Japanese dramas into China over the past several decades as enabling Chinese to better understand “their close neighbors across the sea.”

Sept. 7, 2022: *Yomiuri* poll [reports](#) that 81% of respondents view China as a threat; 15% do not.

Sept. 7, 2022: Reports [say](#) that, with China in mind, Japan will revise its Overseas Development Assistance (ODA) program for the first time since 2015, stating that unilateral attempts to change the status quo will not be tolerated.

Sept. 8, 2022: High energy prices, inflation, anti-virus lockdowns, and problems in the property market [combine](#) to depress Chinese economic growth in August. Worryingly for Japan, whose economy is heavily dependent on Chinese purchases, Chinese non-energy imports also declined.

Sept. 8, 2022: *Asahi* [editorializes](#) that revisions to Japan’s national security strategy which could radically change the nation’s defense-only policy must be done with transparency and respect for dissenting views.

Sept. 8, 2022: Professor at the Central Committee’s Party School [acknowledges](#) current

difficulties in China's international situation and placed the onus of improvement on China.

Sept. 9, 2022: Responding to mutual anxieties about Chinese activities, Japanese and Indian foreign and defense ministers [meet](#) for their second two-plus-two dialogue.

Sept. 9, 2022: Four Chinese Coast Guard *Haijing*-class vessels [sail](#) into Japanese-claimed territorial waters around the Diaoyu/Senkaku Islands on Sept. 8, staying for about 90 minutes. This is the first such intrusion since August 25 and the 20th of this year.

Sept. 9, 2022: Citigroup [reports](#) that central banks of China and Japan seek to stem the slide in their currencies that have hurt not only their economies but those of Asian currencies, since they are increasingly tied to the yen and the yuan, with the latter having stronger influence since 2009.

Sept. 9-10, 2022: On the 10th anniversary of Tokyo placing most of the disputed Diaoyu/Senkaku Islands under government control, Chief Cabinet Secretary Matsuno [expresses](#) "extreme concern" over Chinese activities in the area.

Sept. 10, 2022: *Nikkei* [envisions](#) an era of cold peace for Sino-Japanese relations in which the two try to coexist peacefully while dealing with simmering tensions and potential confrontation.

Sept. 12, 2022: Nippon.com [carries](#) lengthy article detailing the achievements of Japanese ODA to China while noting that Beijing's reticence to inform the Chinese public about Japanese contributions has limited its ability to create mutual understanding.

Sept. 12-13, 2022: In a video message to a symposium on the run-up to 50th anniversary of normalization organized by the Chinese embassy and major business organization Keidanren, Foreign Minister Wang Yi [calls](#) on the Japanese government to exercise caution on Taiwan and avoid incentivizing advocates of Taiwanese independence. *Xinhua* [reports](#) that Wang Yi said that good-neighborliness and friendship, and the development and revitalization of Asia are the destinies, aspirations, and responsibilities of China and Japan.

Sept. 13, 2022: Recognizing the vulnerability of Japan's cyberdefenses, the government [explores](#) introduction of an active cyber defense network (ACD) that would continuously monitor cyberspace and respond quickly to suspicious communications and behavior.

Sept. 13, 2022: Following Russian-Chinese military drills off the Sea of Japan earlier in September, the MSDF and Indian navies [conduct](#) exercises in the strategically important Bay of Bengal. The helicopter carrier *Izumo* and destroyer *Takanami* were joined by Indian destroyer *Ranvijay* and frigate *Sahyadri*.

Sept. 14, 2022: To strengthen defense of the remote islands, mainly the Nanseis, the SDF will [receive](#) Israeli *Harop* and US *Switchblade* drones on a trial basis beginning in FY2023.

Sept. 15, 2022: Japan [joins](#) Taiwan and South Korea in a US-led "Chip 4" Alliance as a bulwark against China's semiconductor industry.

Sept. 15, 2022: US Secretary of defense Lloyd Austin and Japanese counterpart Hamada Yasukazu strongly [condemn](#) China's military exercises near Taiwan and its firing of ballistic missiles that landed in Japan's Exclusive Economic Zone.

Sept. 15, 2022: Taiwan [designates](#) two former legislative chiefs, Su Jia-chyuan, currently head of the Taiwan-Japan Relations Association, and former speaker of the Legislative Yuan Wang Jin-pyng, to attend former Prime Minister Abe's funeral

Sept. 15, 2022: Two Chinese *Luyang II* missile destroyers [sail](#) between the main island of Okinawa and Miyakojima without entering Japanese territorial waters.

Sept. 16, 2022: A Chinese survey vessel [enters](#) Japan's territorial waters near Kagoshima in the seventh such intrusion since July.

Sept. 17, 2022: A gala themed "neighbors across a narrow strip of water co-creating the future" hosted by the Union of Chinese Residing in Japan, [features](#) representation of what *Xinhua* calls warm moments in exchanges between China and Japan through dances, songs, and instrumental music performances.

Sept. 18, 2022: Notwithstanding the warm words about friendship that marked the Sept. 17 gala, events throughout China [mark](#) the 91st anniversary of the Shenyang Incident of 1931 that the PRC government regards as the beginning of the second Sino-Japanese War.

Sept. 19, 2022: At the [opening](#) of the two-day Taiwan Plus cultural festival in Tokyo, Gov. Yuriko Koike [sends](#) regards to Taiwan President Tsai Ing-wen and her hope for closer Tokyo-Taiwan ties.

Sept. 20, 2022: Japanese government sources disclose that representatives of France, Germany, and South Korea will [attend](#) the meeting of the Partners in the Blue Pacific founded to counter China's expansionism in the area.

Sept. 20, 2022: Daikin Industries, one of the world's leading manufacturers of air conditioners, announces [plans](#) to create a supply chain that excludes China.

Sept. 20, 2022: Writing in the official Renmin Ribao, "Zhong Sheng" (Voice of the Center, a pseudonym for a high-ranking figure) urges that Japan [destroy](#) chemical weapons it abandoned in China after World War II.

Sept. 20, 2022: China reacts to news of a face-to-face meeting between Biden and Kishida by describing it as a [plan](#) to make Japan a stronger pawn to thwart China's "re"-unification, also raising the specter of reviving Japanese militarism.

Sept. 20, 2022: Taiwan's Hongmaogang Bao'an temple will [unveil](#) a full-size statue of former Prime Minister Abe ahead of his state funeral on the 27th.

Sept. 21, 2022: "Japan's Vision for the Indo-Pacific," an ad in newspapers such as *The Wall Street Journal*, [invites](#) readers to click to "discover more" which directs them to a lengthy article on Japan's efforts to create business partnerships along the lines of PM Kishida's aim to create a new form of capitalism focused on sustainability and accelerating growth through human capital.

Sept. 21, 2022: "Envisioning a Future Together," a paid [article](#) in *Nikkei*, [features](#) CEO Kashitani Ichiro describing Toyota Tsusho's 100 years in

Africa, where it employs 2,000 people and operates in mobility, health care, consumer goods, power, infrastructure, and technology.

Sept. 21-22, 2022: Referencing the meeting of Kishida with British Prime Minister Liz Truss at the opening of the UN General Assembly, *Global Times* [accuses](#) the UK of hoping to regain its lost glory of the empire on which the sun never set, and that Japan has similar ambitions.

Sept. 22, 2022: Wan Gang, vice-chairperson of the National Committee of the Chinese People's Political Consultative Conference, [announced](#) as China's representative to Abe's funeral.

Sept. 22, 2022: First formal meeting of the Blue Pacific Partners (BPP) is [held](#) in New York with members Japan, Australia, Britain, and New Zealand joined by Canada and Germany who announce their intention to join.

Sept. 22, 2022: Chinese Premier Li Keqiang [holds](#) high-level video dialogue with representatives of the Japanese business community including executive members of Nippon Keidanren (Japan Business Federation), Japan-China Economic Association and the Japan-China Investment Promotion Organization.

Sept. 24, 2022: Chinese media [report](#) that the PRC air force now has its first dedicated drone squadron, a seed unit currently stationed in northwest China.

Sept. 24, 2022 FM Hayashi [reports](#) that due to "scheduling conflicts," he is unable to meet Chinese counterpart Wang Yi during the the opening of the UNGA in New York.

Sept. 27, 2022: Toyota-based Chinese autonomous vehicle company Pony.ai will [collaborate](#) with Chinese state-owned and largest automaker SAIC to produce a fully driverless robotaxi.

Sept. 28, 2022: Three German fighter jets conduct [exercises](#) with Japan's ASDF.

Sept. 28, 2022: Japan Coast Guard [says](#) that three Chinese coast guard vessels enter Japan's territorial waters near the Senkaku Islands and stay for more than eight hours, a day before the 50th anniversary of the normalization of the countries' diplomatic ties.

Sept. 28, 2022: Japanese Defense Ministry reveals that three Chinese ships, including a *Renhai*-class missile destroyer, sailed about 300 km south-southeast of the southernmost point of land on Honshu on the 26th.

Sept. 29, 2022: Number of Japanese companies operating in China [declines](#) to 12,706 in June 2022 from 14,394 in 2021, according to Japanese credit research company Teikoku Databank Ltd, attributing the drop to rising labor costs that prompted companies to move to Southeast Asia and other regions.

Sept. 29, 2022: Indicating the current [chill](#) in Sino-Japanese relations, commemorative ceremonies marking the 50th anniversary of normalization are organized by private organizations in Tokyo, but no official government-to-government events are scheduled.

Sept. 30, 2022: Ceremony [commemorating](#) the 50th anniversary of Sino-Japanese diplomatic ties is described as lacking a celebratory mood.

Oct. 1, 2022: First meeting of an expert panel to comprehensively discuss Japan's national defense capabilities, including how to equip the SDF, the size of the budget, financial resources and other issues, is [held](#) at the prime minister's office.

Oct. 2, 2022: China-friendly *South China Morning Post* [cites](#) analysts who characterize Japanese aid to Africa as favoring quality, in contrast to Chinese aid that concentrates on quantity.

Oct. 3, 2022: Nationwide poll by *Yomiuri* [reveals](#) that 71% of respondents are in favor of Japan strengthening its defense capabilities, far more than the 21% who were opposed to any measures.

Oct. 3, 2022: *Yomiuri* [editorializes](#) against the exodus of Japanese companies from defense production, citing the risk of relying on others.

Oct. 4, 2022: Japanese government official [states](#) that North Korea's launch of a ballistic missile that flew over Japan underscores the need to strengthen Japan's defense capabilities.

Oct. 5, 2022: Japan's Defense Ministry [reports](#) that a Chinese navy *Dongdiao* class intelligence-gathering ship passed through the Tsushima

Strait and then entered the East China Sea, but did not intrude into Japan's territorial waters.

Oct. 5, 2022: Senior fellow of the China division of Japan's National Institute for Defense Studies [warns](#) against underestimating China's ability to wage cognitive warfare, which he characterizes as a mixture of truth and falsehood that makes it difficult to make accurate judgments.

Oct. 6, 2022: Japan's Sumitomo Corporation [signs](#) partnership agreement with an Indonesian partner of PowerChina to jointly develop a hydroelectric power station estimated to cost \$17.8 billion on the island of Borneo.

Oct. 6, 2022: *Yomiuri* [publishes](#) details of China's disinformation efforts aimed at influencing views of Taiwan, that have included distributing false images of military confrontations.

Oct. 9, 2022: A delegation of Japanese lawmakers [visits](#) Wuchihshan Military Cemetery (五指山軍人公墓) in New Taipei City to pay tribute to former President Lee Teng-hui (李登輝), praising his contributions to democracy and to Taiwan-Japan relations.

Oct. 11, 2022: Prime Minister Kishida [says](#) he will carry out an extensive review of Japan's defense capabilities in light of "an increasingly tough security environment in East Asia."

Oct. 11, 2022: Commenting on Japanese [plans](#) to create a cyberdefense framework, China's leading military newspaper says that cyberspace should not be the new domain for Japan to repeat military expansion and part of its plan to secretly revise the constitution and expand its military forces.

Oct. 11, 2022: Japan and Canada [agree](#) to formally start talks toward signing a military intelligence information sharing accord as their foreign ministers adopt an action plan to strengthen cooperation on defense, economic security, and other areas amid growing threats from China and Russia.

Oct. 12, 2022: Speaking in Taiwanese at the inauguration of the Taiwan Parliamentary All-Out Defense Committee, deputy director of Japan's de facto embassy in Taipei, the Japan-Taiwan Exchange Association, Yokochi Akira [receives](#) a standing ovation when he reiterates

former Prime Minister Abe's remark that "a Taiwan emergency is a Japanese emergency."

Oct. 14, 2022: *Asahi* observes that a number of Japanese scholars are [opting](#) to do research in China because Japan's funding system pushes young researchers away, resulting in a brain drain.

Oct. 14, 2022: *Global Times* [expresses](#) concern that revision of Japan's national security strategy being discussed, will make China, which has no intention of being hostile to Japan, an imaginary enemy.

Oct. 18, 2022: *Nikkei*, [commenting](#) on US congressional concerns that Chinese ownership of IS farmlands was posing a threat to food security and national security, points out that LDP Diet member Sanae Takaichi had raised the same issue with regard to a company with close ties to Chinese money that acquired a parcel of land in Hokkaido roughly 35 km from an ASDF unit.

Oct. 19, 2022: LDP and Komeito are reportedly [split](#) over the definition of counterattack capabilities, with the major difference being interpreting the concept of "beginning an attack."

Oct. 22, 2022: As the Chinese Communist Party's 20th Party Congress closed, Japan and Australia [issue](#) a joint declaration calling for a "favorable strategic balance that deters aggression and behavior that undermines international rules and norms. *Yomiuri* [comments](#) that the two have "stepped up their military cooperation in light of developments related to China and other security issues" and demonstrated a quasi-alliance between them.

Oct. 24, 2022: Toyota [announces](#) the launch of a small electric sedan called the bZ3, to be powered by Chinese company BYD's less bulky Blade batteries.

Oct. 29, 2022: Japan [moves](#) to set up a new joint command and a new commanding officer position to oversee its SDF units and better coordinate with the US military in emergencies.

Oct. 26, 2022: Eiji Suzuki, former head of the Japan-China Youth Exchange Association who had been imprisoned in China for six years on

spying charges, [returns](#) to Japan and calls China a dangerous country.

Oct. 26, 2022: Following a standoff between Japanese coast guard vessels and a Taiwanese research vessel, a Chinese foreign ministry spokesperson [rejects](#) Japan's claim to an exclusive economic zone in the waters off Taiwan.

Oct. 29, 2022: Responding to reports that the Japanese government intends to purchase US *Tomahawk* missiles as a stopgap before indigenously-produced missiles become available, *Asahi* [argues](#) that the government has gotten ahead of itself by seeking to acquire a weapons system primarily used for a capability whose legality has not yet been formally approved.

Oct. 31, 2022: Reacting to reports that the AUKUS members, and the US in particular favor inviting Japan to join a JAUKUS, *Global Times* [warns](#) Tokyo that doing so will create more strategic instability for the whole Asia-Pacific region.

Oct. 31, 2022: Reports [say](#) Japan's defense ministry aims to put into operation two surveillance satellites and is reportedly also considering adding a function to the second satellite to interfere with the activities of Chinese and Russian killer satellites in orbit.

Oct. 31, 2022: To counter China's dominance in rare earth minerals, the Japanese government will [deploy](#) technology to extract elements from 6,000 meters under the sea near the Ogasawara Islands. It wants private companies to enter the market from fiscal 2028.

Nov. 3, 2022: Japan's Defense Ministry is [considering](#) deployment of hypersonic missiles by 2030, envisioning it as the third and final stage of a process preceded by the acquisition of *Tomahawk* and other cruise missiles from the US and then extending the range of the indigenous Type 12 surface-to-ship missile from the current 200 km to over 1000 km.

Nov. 4, 2022: Japan's government will [earmark](#) ¥1.358 trillion in its second extra budget of fiscal 2022 to strengthen supply chains of products such as semiconductors, cloud computing devices, batteries, and rare earth elements

considered highly important for economic security.

Nov. 4, 2022: Responding to reports that the US has instructed Japan to limit exports of semiconductor technology to China, *China Daily* [warns](#) that “dancing with the wolf is not going to help you, dear Japan.”

Nov. 5, 2022: Leading Japanese furniture retailer Nitori [opens](#) its first stores in Beijing, hoping to increase the total of Chinese outlets from 59 to 100 by the end of 2023.

Nov. 6, 2022: A lantern festival at Japan’s Manpukuji temple, founded by a Chinese monk in the 17th century, [commemorates](#) the 350th anniversary of his death and the 50th anniversary of the establishment of Sino-Japanese relations. Visitors pass through what the temple calls a gate of friendship and enter grounds that are illuminated by 30 lanterns sent by Chinese craftsmen.

Nov. 6, 2022: Speaking at a 12-nation international fleet review at Sagami Bay, PM Kishida [reiterates](#) need to enhance the country’s military capabilities, specifying the need for more warships, strengthening anti-missile defense, and improving the working conditions of troops.

Nov. 8, 2022: Construction is [to begin](#) in April on portable harbors to defend the Sakishima and Nansei islands against invasion. The Sakishimas, part of the Nansei group closest to Taiwan, currently has just two ports able to accommodate SDF transport vessels.

Nov. 8, 2022: Eight-day *Malabar* joint exercise, aimed at strengthening cooperation among Australia, India, Japan, and the US in light of China’s increasingly aggressive maritime expansion, [begins](#).

Nov. 9, 2022: As part of an effort to strengthen inter-service cooperation, the MSDF and coast guard are to [conduct](#) a joint drill simulating an armed attack on the Senkaku Islands.

Nov. 9, 2022: SDFs will for the first time [dispatch](#) a Type-16 mobile combat vehicle (MCV) to Yonaguni, the island in closest proximity to Taiwan.

Nov. 11, 2022: Eight major Japanese firms [begin](#) forming Rapidus, a new company to produce next-generation semiconductors in Japan, aiming to establish the manufacturing technology for the sake of Japan’s economic security toward the latter half of the 2020s.

Nov. 12, 2022: Newly founded Rapidus semiconductor firm announces [plans](#) to develop 2-nanometer semiconductors, for which the production technology has not yet been established.

Nov. 12, 2022: During a brief exchange between Premier Li Keqiang and PM Kishida at the ASEAN + 3 meeting Li [refers](#) to the importance of Sino-Japanese relations while Kishida says he hope the two can strive toward building a constructive and stable relationship.

Nov. 13, 2022: *Jiji* [reports](#) poll showing that although 79% of Japanese feel a sense of crisis about the situation in Taiwan, 74% are opposed or relatively opposed to the SDF joining with the US military to fight the Chinese military, with 22% indicating approval or relative approval.

Nov. 14, 2022: Speaking at the ASEAN+3 meeting in Phnom Penh, PM Kishida [tells](#) Asian leaders that China is continuously and increasingly taking actions that infringe on Japan’s sovereignty and escalate tensions in the region, adding that peace and stability in the Taiwan Strait is important for regional security and voicing “serious concern” over the human rights situation of the Uyghur people.

Nov. 14, 2022: Chinese Foreign Ministry [terms](#) Kishida’s statement on Chinese actions absurd, since China has never violated Japan’s sovereignty in the East China Sea. Continuing with its anti-China strategy may result in “severe damage in almost all spheres, be they the economy or the military.”

Nov. 15, 2022: Japan announces [plans](#) to deploy a network of 50 compact satellites in a low Earth orbit to track next-generation hypersonic missiles capable of evading defense systems.

Nov. 16, 2022: Japan’s Defense Ministry [announces](#) plans to develop hypersonic missiles with a range of 3,000 km, allowing them to fly from Hokkaido to the Nansei Islands to help hold off foreign troops landing on those islands, with

the aim to deploy them in the first half of the 2030s.

Nov. 17, 2022: The 5th meeting of the LDP-Komeito working team on national security, [includes](#) discussion on further improving the evacuation system for residents on remote islands and of the J-Alert early warning system that transmits emergency information nationwide.

Nov. 18, 2022: *Yomiuri* [describes](#) Kishida as proud that he followed through on his publicly declared plan to “say what needs to be said” to Xi Jinping on matters such as Taiwan, the Diaoyu/Senkaku Islands, and the demarcations between the two countries’ territorial waters.

Nov. 18, 2022: *Xinhua* [reports](#) that Xi and Kishida reached a 5-point consensus on stabilizing and developing bilateral relations, stressing that their countries should “be partners, not threats.”

Nov. 21, 2022: Stressing that it is essential for Japan to possess counterstrike capabilities, the panel on revising Japan’s strategy [believes](#) the public should shoulder the expense through “a wide range of taxes.”

Nov. 23, 2022: Japan’s Advisory Panel to Comprehensively Discuss Defense Capabilities as National Strength [presents](#) its proposal to Prime Minister Kishida.

Nov. 23, 2022: *Asahi* [complains](#) that it took the Advisory Panel to Comprehensively Discuss Defense Capabilities as National Strength only four meetings over less than two months to reach its decision and demands that intensive deliberations, including opposition parties, on the panel's report be conducted in the Diet,

Nov. 24, 2022: In light of Japanese companies withdrawing from defense work due to low profit margins and small order volumes, *Yomiuri* [advocates](#) that the government increase subsidies to companies and establish a system that enhances the competitiveness of defense equipment abroad.

Nov. 24, 2022: *Renmin Ribao* [describes](#) China-Japan defense talks, held annually since 2012, as having gained momentum since Xi and Kishida met in Bangkok on Nov. 17 and that the two delegations agreed on further cooperation in six

fields, including accelerating work on establishing a direct hotline between the defense authorities of the two nations.

Nov. 24, 2022: A Japan External Trade Organization (JETRO) survey [shows](#) that 41.9% of Japanese firms believe their operating profits in China in 2022 will fall from the previous year.

Nov. 26, 2022: In the 26th intrusion into Japanese waters by Chinese government ships this year and the first since Nov. 12-13 four China Coast Guard ships [sail](#) in Japanese waters around the Senkaku Islands. One is believed to be equipped with a 76mm gun, the largest of its kind mounted on such intruding Chinese vessels.

Nov. 26, 2022: Annual China Security Report, published by the National Institute for Defense Studies, [focuses](#) on the cognitive warfare being adopted by the Chinese Communist Party.

Nov. 26, 2022: Japanese chip equipment supplier headed by a Shanghainese [begins](#) to reorganize supply chains and factories in a strategy designed to access both US and Chinese markets after Washington rolled out new chip export controls.

Nov. 27, 2022: As domestic demand for sake declines, Japanese brewers are rapidly increasing [exports](#) to China, which have grown about 50 times in the past 10 years. By contrast, demand in Japan has dwindled to less than 30% its peak nearly five decades ago.

Nov. 28, 2022: Japanese government [announces](#) that a network of 50 small satellites working together in space will be developed for Japan’s defense. The first is expected to be launched as soon as fiscal 2024, in line with the possession of counterattack capabilities to strike enemy missile launch sites for the purpose of self-defense.

Nov. 28, 2022: Mai Yamada (山田摩衣), born to a Taiwanese mother and Japanese father, is [elected](#) one of nine city councilors in Banciao District (板橋) in Taiwan. She describes the support she received as proof of Taiwan-Japan friendship. She speaks Japanese, English, and Hoklo (Taiwanese).

Nov. 30, 2022: An *Asahi* editorial [complains](#) that the Nov. 28 announcement that the defense

budget is to be increased was a done deal whose timing was wrong.

Dec. 1, 2022: Two Chinese H-6 bombers and two Russian Tu-95 bombers [fly](#) over the Sea of Japan, the East China Sea and the Pacific Ocean on Wednesday, prompting Air Self-Defense Force fighter jets to scramble in response. None of the four entered Japan's territorial airspace.

Dec. 2, 2022: *Yomiuri* [states](#) that the Japanese government is considering development of at least 10 types of long-range missiles as it moves toward the possession of counterattack capabilities.

Dec. 2, 2022: In a major change from its long-held previous opposition to Japan's possession of counterstrike capabilities, junior coalition partner Komeito [agrees](#) to broadly support them after confirming that the principle of using the minimum force necessary will be honored.

Dec. 2, 2022: Chancellor of the Prefectural University of Kumamoto Shiraishi Takashi [outlines](#) a four-point strategy for enhancing Japanese defense including integrating land, sea, and air military capabilities with cyberspace, electromagnetic waves, and outer space as well as the economy, science and technology, information, and other elements.

Dec. 3, 2022: Citing unnamed government sources, Kyodo [reports](#) that Japan is considering expanding an Okinawa-based ground force unit to defend remote southwestern islands and prepare for a contingency involving Taiwan in the face of China's increasing assertiveness.

Dec. 4, 2022: A joint public opinion poll finds that 44.5% of Japanese and 56.7% of Chinese [believe](#) that a military conflict in the Taiwan Strait is likely within a few years or in the future.

Dec. 4, 2022: Yonaguni, Japan's westernmost island and the island closest to Taiwan, [holds](#) its first evacuation drill on 30 November to prepare for a ballistic missile strike.

Dec. 5, 2022: Kishida [instructs](#) defense and finance ministers to earmark 43 trillion yen for defense spending over the five years from fiscal 2023, more than 1.5 times the 27.47 trillion yen set under the current medium-term defense capability development program.

Dec. 5, 2022: Japan [plans](#) to more than quadruple cyber defense personnel while increasing overall staff dealing with cyber-attacks to 20,000 by fiscal 2027, say government sources.

Dec. 6, 2022: Chinese automaker BYD [announces](#) that it will start sales of its electric SUV in Japan at the end of January, priced significantly lower than Japanese EV manufacturers, particularly when subsidies are added to the sticker price. Japanese companies are not faring well in the EV car market.

Dec. 7, 2022: Draft of the National Security Strategy (NSS) presented to a working team of the LDP and Komeito [describes](#) China's hegemonic moves as "the greatest strategic challenge" Japan faces.

Dec. 8, 2022: In light of increased pressure from China, the head of a conservative Japanese think tank [advises](#) that Japan should proactively conduct information warfare operations and enhance its military capabilities to gain both Taiwanese and American confidence. China's breakthrough into Taiwan would be vitally dangerous for Japan.

Dec. 9, 2022: At two-plus-two talks with visiting Australian defense and foreign ministers in Tokyo, the two [countries](#) pledge to enhance defense cooperation as China's rapid military buildup in the Indo-Pacific has worsened the regional security environment.

Dec. 10, 2022: *Asahi* [editorializes](#) against the expanded defense budget on grounds that piling on debt will not only worsen the nation's fiscal health and allow unrestrained defense spending.

Dec. 10, 2022: *Yomiuri Shimbun* [learns](#) that a core unit for intelligence warfare to obstruct the command and control system of adversaries and counter the spread of disinformation is to be established in Japan's Maritime Defense Force.

Dec. 10, 2022: LDP policy chief Hagiuda Koichi [visits](#) Taiwan, praising it as an extremely important partner and valued friend of Japan with whom Japan share fundamental values such as liberal democracy, basic human rights, and the rule of law as well as close economic relations and personal exchanges.

Dec. 13, 2022: Japanese government [announces](#) it will include a standoff missile unit for enemy counterstrikes in the country's revised defense plans.

Dec. 14, 2022: After repeated intrusions by the China Coast Guard in waters around the Senkaku islands, the Japanese government [announces](#) it will increase the coast guard budget by 40% by fiscal 2027.

Dec. 15, 2022: *Nikkei* [reports](#) that the LDP's junior coalition partner Komeito was able to pull the defense policy debate in a more dovish direction, changing "serious security threat" to an "unprecedented strategic challenge" and blocking the LDP's desire to scrap a legal provision stating that the coast guard will not function as a "military" organization.

Dec. 16, 2022: Japanese Defense Ministry [releases](#) new defense strategy which is highly critical of Chinese activities as "a matter of serious concern for Japan and the international community."

Dec. 16, 2022: Japanese Cabinet [approves](#) three key security documents the main pillar of which legitimizes possession of counterstrike capabilities to destroy enemy missile launch sites and other military targets for self-defense, marking a major shift in postwar security policy.

Dec. 16, 2022: *Xinhua* [reports](#) opposition within Japan to the country's new defense strategy, stating that hundreds of citizens held rallies in front of the prime minister's official residence.

Dec. 17, 2022: A squadron of Chinese ships [sails](#) through straits near Japan into the Western Pacific, while Beijing castigated Tokyo's adoption of a new national security strategy that puts itself on a more offensive footing — largely as a result of the perceived threat from China.

Dec. 18, 2022: Giant panda Eimei/Yong Ming, a resident of the Osaka zoo for 12 years, is [appointed](#) a special envoy for Sino-Japanese friendship, though it is unclear how the panda can play this role since he is to be repatriated in February.

Dec. 19, 2022: Japan's largest convenience store chains, Lawson, Family Mart, and Seven-Eleven, are [opening](#) more outlets in China as they adapt

business models to China's more restrictive logistics network.

Dec. 20, 2022: Responding to claims by a Spanish NGO that China may have established two overseas police bases in Japan, the foreign ministry, apparently regarding the claims as credible, [tells](#) Beijing that any activities conducted that could infringe on Japan's sovereignty are "absolutely unacceptable."

Dec. 22, 2022: Chinese sources [state](#) that Xi ordered a Chinese carrier strike group to conduct drills that simulate attacks on Japan's Nansei Islands beginning Dec. 16 in response to the Japanese government's release of three major defense-related documents.

Dec. 22, 2022: Reports [say](#) Japan's government will create the framework for utilization of space to strengthen the nation's defense capabilities that includes a plan to increase the use of space by the SDF and coast guard, among others.

Dec. 26, 2022: Chinese coast guard vessels [stay](#) in territorial waters claimed by Japan for over 72 hours, the longest continuous intrusion since 2012.

Dec. 27, 2022: During the visit of Japanese parliamentarians to Taiwan, a Kaohsiung temple [says](#) it would commission and give to Japan a bronze statue of Prime Minister Abe, who had been a firm friend of Taiwan.

Dec. 28, 2022: *China Daily*, in a four-part year end piece, [admonishes](#) Japan for a litany of transgressions including military expansion and decoupling.

Dec. 30, 2022: Japanese government is to [provide](#) comprehensive financial support to the defense industry to stem its decline, and will consider nationalization of some industries though only as a last resort.

Dec. 31, 2022: Amid China's mounting military [pressure](#) in the region, the Japanese defense ministry will [move](#) command centers underground at four SDF facilities by fiscal 2028 and implement measures against electromagnetic pulse attacks at five Air Self-Defense Force bases by fiscal 2029 in preparation for such situations as an emergency in Taiwan.

