The 17th China–Japan Security Dialogue resumed in late February after a four-year pause but produced no resolution to outstanding problems. In early April, Chinese and Japanese foreign ministers also met for the first time since 2019, with the four-hour meeting similarly unproductive. The Chinese side expressed annoyance with Tokyo for its cooperation with the United States, its support of Taiwan, the release of Fukushima nuclear-contaminated wastewater into the ocean, and Tokyo’s recent restrictions on semiconductor equipment exports. The Japanese foreign minister sought, but did not obtain, information on a Japanese national who had been arrested on spying charges, complained about Chinese intrusions into the territorial waters around the disputed Diaoyu/Senkaku Islands, and stressed the importance of stability in the Taiwan Strait. There was no mention of the long-postponed state visit of Xi Jinping to Tokyo as a matter of reciprocity for former Prime Minister Abe Shinzo’s visit to Beijing.
Politics

Kishida continued his activist foreign policy, visiting all the G7 countries en route to Washington and meeting with German Chancellor Olav Scholtz in Tokyo. He followed this up with a visit to Indian Prime Minister Narendra Modi in New Delhi, inviting Modi to participate in the G7 that Japan will host in Hiroshima in May. Kishida's principal topics were gaining support for a free and open Pacific, which for him means resisting Beijing’s plans to control disputed areas in the South China and East China seas, and to encourage multilateral aid packages to counter China's economic blandishments in developing countries. In India he announced a fund of $75 billion to improve infrastructure in the Indo-Pacific and pledged an additional $100 million to the Japan-ASEAN Integration Fund, as well as measures to help countries enhance maritime law enforcement capabilities and reinforce security. Kishida followed his visit to India with a trip to Ukraine, the latter coinciding with Xi Jinping’s visit to Moscow, the first visit of a prime minister to a war zone. He expressed solidarity with Ukraine, observed how the generators that Japan provided to stave off the cold winters are being utilized, and invited Zelensky to the G7 summit. It was confirmed that Zelensky will participate virtually.

Philippine President Fernando Marcos Jr. visited Tokyo a week after he agreed to allow the US military access to four more bases in the Philippines, vowing to strengthen defense ties with Japan amid China’s assertive actions in the South China Sea and growing fears of a possible Chinese invasion of Taiwan. Earlier in the reporting period, Kishida declined to meet outgoing Chinese Ambassador Kong in February, since Xi had not met the departing Japanese ambassador in 2020. Xi’s visit to Moscow was his sole major trip outside China, though he continued to meet a succession of foreign leaders, including the presidents of Brazil and France in Beijing.

Chinese media kept up a steady barrage of criticism of Tokyo’s plans to release nuclear-contaminated wastewater into the Pacific Ocean from the damaged Fukushima Daiichi nuclear power plant in the spring or summer with Xinhua reporting that despite “raging” opposition both at home and abroad, Japan still intends to release the water even though the discharge plan would destroy the livelihoods of local fishermen and negate the efforts they have made for over a decade to revive the industry. The Chinese press belittled Japan in various ways with, for example, Global Times scoffing at Japan’s intention become the second country after the US to land astronauts on the moon and Tokyo’s declaration that it would strengthen cooperation with the US to counter China's space endeavors; the claim to be “second in history” while relying on another country's technology is laughable and does not really count, the paper asserted. The abortive assassination attempt against Prime Minister Kishida in April also resulted in a spate of derogatory comments, with Chinese analyst Da Zhigang opining that it had burst the myth of Japan being a secure country and caused its residents to doubt that the Hiroshima Summit would be safe for the G7 meeting. Researcher Chen Yang expressed his belief that such attacks are largely due to Japan's increasingly resentful society, caused by sluggish economic growth and rising prices, which aggravate resentment among some people and lead to violent acts and extreme incidents.

Following British Prime Minister Rishi Sunak’s statement that his country would stand by Japan as China leverages its state power, Global Times described both as "down-and-out powers": one an ex-empire on which the sun has long set, and the other a rising sun having difficulty rising again.

China’s balloon flights over Japanese territory were another concern, with the Japanese government in February demanding that the Chinese government confirm facts about three balloons that have allegedly flown in Japanese airspace since November 2019 and take measures to prevent the recurrence of similar incidents. Foreign Minister Hayashi Yoshimasa reportedly told his Chinese counterpart that Japan will never tolerate intrusions into its airspace. A few days later, the Japanese government announced its intention to change the interpretation of Article 84 of the Self-Defense Forces Law, originally intended for manned foreign aircraft, to allow the shoot down of unmanned balloons. Specific conditions under which the use of weapons would be allowed are to be worked out.

In exceptionally strong language, the Japanese foreign ministry’s annual foreign policy report, released in April, described Beijing as intensifying its attempts to unilaterally change
the status quo by force or coercion in the maritime regions and airspace of the East and South China Seas and called China's approach to international relations and military trends the greatest strategic challenge ever to the international order. At a meeting of foreign, defense, and coast guard officials from the two countries, the first since May 2019, Japan urged China to immediately cease intrusions by its coast guard ships into Japanese waters around the disputed Diaoyu/Senkaku Islands, for its maritime expansion in the East China and South China seas, for continuing to send out information lacking a scientific basis about the planned release into the sea of treated water from the Fukushima No. 1 nuclear power plant, and over China’s continued gas field development activities on the Chinese side of the median line between the two countries in the East China Sea. China demanded that Japan stop violating China’s sovereignty and harming its maritime interests in the East China Sea and the Taiwan Strait and warned Tokyo against interfering with Taiwan issues. Regarding the water release from the Fukushima nuclear plant, it said the matter should be handled in a scientific and safe way. The two sides affirmed yet again a long-delayed plan to set up a hotline between their defense authorities.

Taiwan remained an irritant, with the Chinese foreign minister expressing his annoyance with Japan’s continued support of Taiwan during their meeting in early April and Japan voicing concern a week later with China’s air operations close to Okinawan islands during its three-day punitive exercises simulating an attack on Taiwan. According to Japan’s defense ministry, the aircraft carrier Shandong, three other warships, and a support vessel came within 230 km (143 miles) of Miyako Island. An editorial in Asahi, traditionally a China-friendly paper, termed China’s aggressive moves toward Taiwan counterproductive and that they serve only to undermine China’s international reputation. Beijing should have the sense to refrain from such behavior. Japan–Taiwan trade ties remained robust. In January, Taiwan Semiconductor Manufacturing Co. (TSMC)—already building a facility in Japan jointly with Sony—announced that it was considering a second plant there. Japan–Taiwan cultural ties also remained strong with, for example, Japanese student recipients of a scholarship to study in Taiwan provided by the Friends of Shinzo Abe Association in Taiwan laying flowers at the statue of Abe in a Kaohsiung temple and praising his contributions to Taiwan–Japan friendship.

Economics

Chinese exports declined in dollar terms for five straight months starting last October as Western buyers reduced orders amid high inflation and a gloomy economic outlook, but unexpectedly surged by 14.8% in March, lifting first-quarter gross domestic product by 4.5%, though April data were disappointing. Economists warn that China’s recovery will be uneven. Much of the growth was driven by electric vehicle sales and exports to Russia. The property sector is still in distress, and one in five Chinese youths remain unemployed.

Meanwhile, the Bank of Japan’s quarterly “tankan” survey showed pessimism among the country’s manufacturers. The turbulence in global markets in March hit banks in Japan harder than those in China: Japan’s three leading lenders lost more than $20 billion in market value in one week, while China’s big four state-owned banks gained more than $30 billion in Hong Kong and Shanghai trading. Still, Berkshire Hathaway head Warren Buffett praised Japanese trading houses, noting that his company has a greater dollar investment in Japanese securities than in any other country in the world except the United States.
Contrasting the failure of Mitsubishi Heavy Industry’s commercial aircraft building program with the achievements of China’s state-owned COMAC, both begun in 2008, two aviation executives attributed the latter’s success to state ownership and a significant domestic market. Another major failure for Japan was that of its second attempt to launch the H–3 rocket in March 7, as had its first attempt on Feb. 17. Coming after a two-year delay from the initial schedule, these amounted to a setback for the country’s space policy. The H–3 had been billed as a future pillar of Japan’s space business that would help to cement the nation’s footing in the international competition for space exploration.

Japan continued with supply chain decoupling, both reshoring and friend–shoring, with the aim of establishing secure supply chains for its manufacturing. Chinese media were particularly concerned with restrictions on computer–chip exports, warning that both countries would be hurt. Japanese companies also made efforts to reduce their dependence on the PRC for supplies of key clean–energy materials. Japanese robot maker Yaskawa Electric is building a new factory in Fukuoka, in southwestern Japan to bring back from China production of inverters, a key component in appliances. The new plant is scheduled to come online in 2027. Japanese air conditioner maker Daikin Industries is also working to ensure that it can maintain production without components from China. The Osaka–based company expects to complete the revamp of its supply chain by March 2024. At least one decoupling may be connected to the PRC government’s crackdown on the country’s financial sector: Japanese tech investment titan SoftBank decided to sell nearly all its stake in Alibaba to limit exposure to China. SoftBank was an early investor in the Chinese internet giant founded by Jack Ma.

Japan’s vulnerability to China’s near monopoly on rare earths continued despite efforts at remediation. In February, Sumitomo announced that it would source rare earth elements for EVs without involving China. Under a new arrangement, Las Vegas–based MP Materials will handle not only mining, which it has been doing, but also smelting and separating elements. Those elements will be further refined by companies in Vietnam and the Philippines, before being shipped to Japanese magnet makers for use in final products. Seeking to establish a secure supply chain for lithium against Chinese companies, which hold the top global share in manufacturing batteries and have been investing heavily in mining projects around the world, Sumitomo Metal Mining began talks with resources producers for joint production in such countries as Argentina and Chile, leveraging its new technology to obtain concessions. In March Tokyo moved a step forward to establish a supply chain that bypasses China, with Japanese trading house Sojitz and the Japan Organization for Metals and Energy Security (JOGMEC) announcing they would invest $134.7 million in Australia's Lynas Rare Earths, which is expected to supply about 30% of domestic Japanese demand for heavy rare earths. However, despite these efforts Japan remained heavily reliant on China for rare earths, and became concerned at reports that China was considering halting exports of rare earth magnets. The report period closed with the announcement of a further effort at decoupling the scarce metals supply from China: a ¥158.7 billion ($1.2 billion) subsidy from METI to Honda and GS Yuasa Corporation to begin supplying lithium–ion batteries from April 2027.

Few major China–Japan business deals were announced during the reporting period, though China’s lower costs continued to be an advantage for some companies. In April the Sony group set up a studio in Shanghai that will specialize in a new video production method called virtual production that allows the creation of realistic looking videos entirely indoors, eliminating the need to shoot on location, reducing travel time and lowering costs by an estimated average of 30%. Japan Display Inc.,
formed a decade ago by a government-brokered merger among the LCD businesses of Hitachi, Toshiba, and Sony announced a tie-up with China's HKC Corp. to cooperate on next-generation technology for displays. Japan Display, an Apple supplier, has suffered eight straight years of losses and had been selling assets. Both 7-Eleven and Uniqlo are planning to expand operations in China as well as in other Asian and regional markets.

There were several reports of Japanese firms leaving China though this hardly amounts to a major exodus. As part of growing efforts by manufacturers to protect supply chains by reducing their dependence on China, Sony revealed that as of the end of 2022 it had transferred production of cameras sold in the Japanese, US, and European markets to Thailand. Its site in China will continue to produce cameras made for sale in the PRC. Also Canon closed part of its camera production in China, shifting it back to Japan. Daikin Industries plans to establish a supply chain to make air conditioners without having to rely on Chinese-made parts within fiscal 2023. In contrast, the head of Astellas, Japan's second largest pharmaceutical firm, stated that, despite the arrest of the company's Asia division head, Astellas was not “currently” considering an exit. China accounts for less than 5% of the company’s annual revenue, but the country is important to Astellas for securing raw materials for its drugs.

**Defense**

Japanese sources debated how to operationalize the three important strategic documents—the National Security Strategy (NSS), the National Defense Strategy (NDS) and the Defense Buildup Program -- that were enacted in December. The Nippon Ishin (Japan Innovation Party) and the Democratic Party for the People (DPFP) expressed basic support for strengthening Japan's defense capabilities, with the DPFP's Maehara Seiji saying that the argument that having the ability to fight back is a violation of the Constitution is a fallacy and that Japan needs to rely on itself rather than the US. Ishin's Kee Miki advocated “two or three steps further” in strengthening defense capabilities and the inclusion of the Self-Defense Forces in Article 9 of the constitution. By contrast, the Constitutional Democratic Party of Japan (CDP) continues to oppose Japan's possession of counterattack capabilities.

Japan has been shoring up defenses of its southwestern islands and now has the world’s third-largest defense budget although, given constitutional constraints on the use of the SDF, questions remain on how and under what circumstances it could be deployed. Legal changes will be needed. The implementation of “active cyber defense” will, for example, require revision of the Telecommunications Business Act as will a law prohibiting unauthorized computer access and efforts to bolster Japan’s security-clearance systems to enable Tokyo to collaborate with like-minded foreign countries in research on and the development of advanced technologies. The government will also begin implementing military operational changes: 14 ground divisions and brigades based outside Okinawa will be reorganized into mobile units that can be deployed to vulnerable areas such as the Nansei Islands, northeast of Taiwan. The number of ammunition-storage bases facilities that were based in Hokkaido due to the no-longer extant threat from the USSR is being reduced.

In April, in the longest intrusion since Japan nationalized the East China Sea islands in 2012, four Chinese Coast Guard vessels stayed in the area around the disputed Diaoyu/Senkaku Islands for more than 80 hours, breaking the previous record of over 72 hours set in December 2022. Other intrusions continued, most of them involving coast guard vessels but at least one involving a survey ship.
There are ongoing discussions with Washington on how to integrate Japan’s new security plans into joint US-Japan operations that include Japanese plans to buy 400 Tomahawk missiles. The US Marine Corps is to form a littoral regiment (MLR) to hold positions on Japan’s frontline islands within China’s sphere of influence and engage the enemy. The regiment will be organized into small teams deployed to each remote island, aiming to sustain sea control by deterring the advances of the enemy’s warships and military aircraft while fending off attacks. Since it is believed that in the initial stage of attack China is highly likely to have the upper hand in sea and air, the mission of the frontline units is to contain attacks until reinforcements arrive. Chinese media described the US-Japanese coordination agreement as undermining peace and stability, quoting Chinese experts’ opinion that the result will be a more dangerous position for Japan, and will not be welcomed by regional countries. If Japan continues, together with the US and the Taiwan secessionists, to provoke China, the PLA is sure to take countermeasures, including holding more exercises and patrols in the international waters and airspace around Japan, thereby enhancing PLA’s combat capabilities in the far sea.

As the report period closed, G7 foreign ministers hosted by Tokyo called on China to abstain from threats, coercion, intimidation, or the use of force and expressed serious concern about the situation in the East and South China Seas and its strong opposition to any unilateral attempts to change the status quo by force or coercion.

**The Future**

There are no indications that chilly China-Japan relations will improve. A hoped-for thaw that would have enabled the two sides to celebrate the 50th anniversary of the normalization of diplomatic ties last year did not materialize and there are no similar landmark occasions imminent. Increased Chinese belligerence toward Taiwan made the probability of an attack seem more likely as well as the likelihood that the attack would adversely affect Japan. The Chinese official defense budget for 2023 will rise by 7.2%, above the projected GDP growth rate of 5% while Japan has pledged to raise its defense spending from the current 1% of GDP to 2% over the next five years. Cultural exchanges and pledges to work together on climate change are unlikely to ameliorate the current impasse.
Jan. 1, 2023: Japanese government reports that it successfully intercepted a Chinese Guizhou WZ-7 “Soaring Dragon” drone in the Miyako Strait, marking the first time that Japanese authorities have acknowledged intercepting this specific type of drone.

Jan. 3, 2023: According to Japan’s Defense Ministry, the Chinese aircraft carrier Liaoning returned to the East China Sea by sailing north between the main island of Okinawa Prefecture and Miyako Island after conducting drills in Pacific waters south of the prefecture last month. Fighter jets and helicopters based on the Liaoning took off from and landed a total of about 320 times around the islands of Oki-daitojima and Kitadaitojima in Okinawa Prefecture between Dec. 17 and Saturday. This was the first operation by the Liaoning since May 2022, when more than 300 takeoffs and landings took place.

Jan. 5, 2023: In a further affirmation of deepening Japan–Taiwan ties, Fukuoka Financial Group Inc. (FFG) joins CTBC Financial Holding Co. (CTBC Holding) to smooth the way for companies from Taiwan to do business in southern Japan.

Jan. 6, 2023: Japanese student recipients of a scholarship to study in Taiwan provided by the Friends of Shinzo Abe Association in Taiwan lay flowers at the statue of Abe in a Kaohsiung temple and praised his contributions to Taiwan–Japanese friendship.

Jan. 6, 2023: Head of Japan’s Ministry of Economy, Trade, and Industry (METI) Yasutoshi Nishimura urges Group of Seven (G7) advanced economies to take a coordinated approach at preventing the economic coercion that China has applied to some of its trading partners.

Jan. 7, 2023: Center-right Yomiuri, Japan’s largest circulation daily, editorializes in favor of a more robust official development assistance program.

Jan. 7, 2023: Japanese defense officials are weighing a plan to build dozens of ammunition and weapons depots on far-flung southwestern islands in preparation for a potential Taiwan crisis.

Jan. 9, 2023: In an effort to display solidarity among partners when China is stepping up maritime activities, the Ground Self-Defense Force’s First Airborne Brigade conducts the year’s first parachute drop training with units from the British and Australian armies for the first time.

Jan. 10, 2023: US Marine Corps announces plans to form a littoral regiment (MLR) to hold positions on Japan’s frontline islands within China’s sphere of influence and engage the enemy.

Jan. 10, 2023: Japan’s Ministry of Defense announces it is considering establishing a new cyber department at the National Defense Academy in fiscal 2027. Prior to its establishment, the GSDF will refashion its Signal School into the GSDF System Communications and Cyber School in April and increase the number of officers receiving cyberdefense training by 30% from the current 100 officers.

Jan. 10, 2023: Global Times scoffs at Japan’s intention to become the second country after the US to land astronauts on the moon and saying it would strengthen cooperation with the US to counter China's space endeavors; the claim to be "second in history" while relying on another country's technology is laughable and does not really count.

Jan. 10–12, 2023: Kishida visits G7 countries France, Italy, and the UK before his trip to Washington.
Jan. 12, 2023: At 2-plus-2 defense talks of the US and Japanese foreign and defense chiefs, the alliance enters a new phase of stepped up work on interoperability and the division of roles between the SDF and US forces to provide enhanced deterrence against China.

Jan. 12, 2023: 2+2 ministers of the US and Japan issue a joint statement saying that Article 5 of their security treaty, which obligates the US to defend Japan if it comes under attack, could be applied to space to protect Japanese satellites as China and Russia ramp up military activity in the arena.

Jan. 12, 2023: Taiwan Semiconductor Manufacturing Co. (TSMC), already building a facility in Japan with Sony, says it is considering a second plant there.

Jan. 12, 2023: UK Prime Minister Rishi Sunak says his country “will stand by Japan as China leverages its state power.”

Jan. 12, 2023: Reacting to the UK-Japan defense agreement, Global Times describes both as “down-and-out powers.”

Jan. 12, 2023: Chinese media describe the US-Japan 2+2 agreement as undermining peace and stability, quoting Chinese experts’ opinion that the result will be a more dangerous position for Japan, and will not be welcomed by regional countries.

Jan. 13, 2023: Defense Minister Hamada Yasukazu and Defense Secretary Lloyd Austin agree to simplify procedures for joint research and development of defense equipment by making only a single memorandum necessary for a project, as opposed to current practice that requires multiple memoranda for each item of research or trial, often taking several months apiece to prepare.

Jan. 14, 2023: Global Times describes Kishida’s visit to Washington as bringing three “gifts”: 1. actively seeking to deepen the Japan-US alliance to show loyalty to the US Indo-Pacific strategy; 2. reporting military developments and “anti-China achievements” to the US in exchange for Washington’s support for Japan’s attempt to break through its exclusive self-defense policy; and 3. continuing to exaggerate the “China threat theory” to cover up its own military expansion and preparations for war.

Jan. 15, 2023: China Daily takes issue with the joint US-Japanese declaration of the 13th calling the PRC a country posing challenges with “actions inconsistent with the rules-based international order” and strongly suggests that the US has given the nod to Japan’s expansion of its military capability.

Jan. 15, 2023: Global Times accuses Japan of increasingly justifying its militarization under the pretext of so-called external threats. It says Tokyo should be wary of becoming a victim of the US or the Ukraine of East Asia.

Jan. 17, 2023: Interviewed by Nikkei, retired Gen. Isobe Koichi terms Xi Jinping’s recent policies incoherent and advises that appeasement will not work.

Jan. 17, 2023: Japanese government has reported approved a cruise missile with three interchangeable warheads for reconnaissance and radar jamming in addition to conventional use.

Jan. 17, 2023: Responding to the US-Japan statement that the Indo-Pacific region faces growing challenges, including from actions inconsistent with the rules-based international order by China, Chinese foreign ministry spokesperson Wang Wenbin describes it as an “ugly playbook jointly ... to tarnish China's image, interfere in China's internal affairs and suppress China's development [that] is packed with danger and hypocrisy” adding that “we firmly reject it and have conveyed strong demarches.”

Jan. 19, 2023: State secrets in a report leaked by a former MSDF captain to his vice admiral former boss contain information on military satellite images that capture the movements of Chinese naval vessels and include intelligence provided by the US military.

Jan. 19, 2023: Chinese media criticize Japan and South Korea for tightening entry policies against China for purely political purposes as part of a negative publicity campaign against China.

Jan. 28, 2023: Bloomberg reports that the US has secured an agreement with the Netherlands and Japan to restrict exports of some advanced chip-making machinery to China.
Jan. 28, 2023: Global Times responds to the report of the restrictions by saying that efforts to contain China will not work since the country’s semiconductor firms are making all-out efforts at technologies for self-reliance. Earlier, the paper had accused the US of having “brutally beaten down” Japan’s semiconductor industry a century ago and warning that Japan’s current interests do not match those of the United States since the US has upstream suppliers in Europe that leave little room for Japan.

Jan. 29, 2023: As part of growing efforts by manufacturers to protect supply chains by reducing their Chinese dependence, Sony reveals that as of the end of last year it had transferred production of cameras sold in the Japanese, US, and European markets to Thailand.

Jan. 29, 2023: Chinese embassy in Tokyo announces that the government will immediately resume issuing visas to Japanese nationals traveling to China, which had been suspended since Jan. 10.

Jan. 30, 2023: Chinese media report that its coast guard expelled Japanese ships that illegally entered China’s territorial waters around the Diaoyu/Senkaku Islands, citing unnamed experts’ opinion that expulsion was the right action to safeguard China’s sovereignty and territorial integrity and it displayed coast guard capabilities.

Jan. 30, 2023: Yomiuri reports that the Shinsei Maru with the Ishigaki mayor and Tokai University researchers commissioned by the city aboard is taking an environmental survey, the second this year, to assess the impact of garbage drifting to Uotsuri and other Senkaku/Diaoyu islands, as well as the damage to vegetation caused by goats. A Chinese Coast Guard vessel made a move to approach the boat, but was deterred by a vessel of the Japan Coast Guard that called for the Chinese vessel to leave. Tokyo protests through diplomatic channels.

Feb. 1, 2023: Speaking to students at Tokyo’s Keio University, NATO Secretary-General Jens Stoltenberg calls for stronger cooperation and more “friends” for NATO in the Indo-Pacific region, adding that Russia and China “coming closer and the significant investments by China and new advanced military capabilities just underlines that China poses a threat, poses a challenge also to NATO allies.” Stoltenberg and Kishida agree to step up their partnership in security in cyberspace, space, defense and other areas.

Feb. 1, 2023: A Global Times editorial describes Stoltenberg’s speech as deserving high vigilance of the entire Asia-Pacific region and full of ominous omens.

Feb. 2, 2023: Meeting in Tokyo with Kishida, NATO Secretary-General Stoltenberg, referring to China by name, says that it is “bullying its neighbors, and threatening Taiwan,” and emphasizes the need for NATO and Japan to work together to address the challenge posed by China.

Feb. 3, 2023: Newly appointed Chinese Foreign Minister Qin Gang, speaking with counterpart Hayashi Yoshimasa for the first time, is quoted as hoping Japan will be “cautious in its words and deeds regarding major issues such as bilateral history and Taiwan, and stop provocations by right-wing forces on the issue of Diaoyu” [Senkaku], while Nikkei cites Hayashi as airing “serious concern” over intensifying Chinese military activities near Japan, including those with Russia during their 50-minute phone talk.

Feb. 7, 2023: China Daily editorializes that, by allowing US weapons to be sited on Japanese islands close to China's Taiwan, Japan is foolishly tying itself to a time bomb.

Feb. 9, 2023: Philippine President Marcos, visiting Tokyo, agrees to strengthen defense ties with Japan amid China's assertive actions in the South China Sea and growing fears over a possible Chinese invasion of Taiwan.

Feb. 12, 2023: Japanese government conveys concern to China over its Shupang-class survey ship entry into Japanese territorial waters around Yakushima Island, Kagoshima Prefecture. This is the first time a Shupang-class survey ship intruded into territorial waters in 2023, but it did so in November 2021 and five times in 2022.
Feb. 13, 2023: Australia’s Lowy Institute’s 2023 Asia Power Index assesses that Japan’s strengthening defense capabilities will not be enough to compensate for waning overall influence in Asia, opining that Japan’s contribution to a collective balancing strategy in response to China’s rise may be less than Washington hopes.

Feb. 15, 2023: As part of its envisaged counterattack capability, Japan will start building about 10 large ammunition depots for storing standoff weapons at SDF facilities, including in the Nansel Islands near Taiwan.

Feb. 15, 2023: Japanese government demands through diplomatic channels that the Chinese government confirm facts about three balloons that allegedly flew in Japanese airspace since November 2019 and take measures to prevent the recurrence of similar incidents.

Feb. 16, 2023: A Chinese-affiliated company, i.e., not the Chinese government, buys about half the uninhabited isle of Yanahajima, located north of Okinawa Prefecture’s main island.

Feb. 16, 2023: Consensus is achieved between the LDP and coalition partner Komeito that permits the SDF to use weapons to protect citizens and property on the ground and ensure the safety of civilian aircraft, taking into account that human life would not be endangered if unmanned aircraft were to be shot down.

Feb. 17, 2023: Senior LDP defense policymaker and former Defense Minister Onadera Itsunori says that the flight of suspected Chinese surveillance balloons has shown that Japan and Taiwan need to share “critical” intelligence about aerial threats, adding that he visited Taiwan in January and been briefed about threats posed to the island by China.

Feb. 18, 2023: Asahi editorializes against the defense ministry’s decision to ease the requirements for the SDF to destroy trespassing foreign unmanned airborne vehicles including balloons and airships, which could heighten tensions in the region.

Feb. 19, 2023: Liz Truss, in Tokyo on her first overseas trip since stepping down as UK prime minister, says that the G7 and like-minded nations should cooperate to build a supply chain for resources such as rare-earths and other important minerals, export controls for cutting-edge technologies such as semiconductors, and infrastructure investment in developing countries "providing investment that doesn’t have strings attached, that doesn’t lead to a debt trap." She adds that the G7 and Taiwan should work together economically to deter China.

Feb. 19, 2023: Foreign Minister Hayashi, speaking to Chinese counterpart Wang Yi on the sidelines of the Munich Security Conference, warns that entering a foreign country’s airspace without permission constitutes an airspace violation and urges China to prevent any recurrence the such incidents.

Feb. 19, 2023: GSDF holds a press viewing of Iron Fist, a joint Japan–U.S. training exercise, at the Hijudai maneuvering ground in Oita Prefecture on Saturday.

Feb. 19, 2023: Sumitomo Corporation announces that it will source rare earth elements for EVs without involving China.

Feb. 23, 2023: After a four-year gap, China and Japan resume diplomatic and security talks with the successive holding of the 29th regular consultation between China and Japan diplomatic authorities, the 17th China–Japan security dialogue, and the 16th China–Japan economic partnership consultation.

Feb. 23, 2023: Expressing concern about Tokyo’s moves to control semiconductor exports, China’s Ministry of Commerce says China hopes that Japan can abide by international rules, provide enterprises with a "fair, non-discriminatory and predictable" business environment and safeguard bilateral economic and trade cooperation.
Feb. 24, 2023: Preparing to enter the Japanese market so that Japan can bypass China in its rare-earth supply chain, Las Vegas-headquartered MP Materials produces a record volume of ores and is set to further increase production in the US.

Feb. 24, 2023: Jiji reports that on Feb. 8 the Changsha Intermediate People’s Court sentenced an unnamed Japanese man in his 50s to 12 years in prison for spying. The man had been held since July 2019 on unspecified charges. China is known to have detained 16 Japanese nationals on spying or other related charges since 2015.

Feb. 24, 2023: A tabletop wargame conducted by Japan’s Sasakawa Peace Foundation on a Taiwan contingency shows Japan losing as many as 144 fighter jets, with SDF casualties reaching up to 2,500. The US could lose up to 400 jets with over 10,000 soldiers killed or wounded—but China would fail to seize control of the island.

Feb. 24, 2023: Tokyo chip manufacturers, waiting for clear guidance on export controls for advanced chip technologies, report greatly increased orders as Chinese semiconductor companies seek to stockpile ahead of the implementation of the Japan-Netherlands-US agreement on tightening exports.

Feb. 25, 2023: A Yomiuri editorial hopes the Japanese government will consider measures, including a review of legal provisions, to enable it to investigate the actual situation on smaller islands, one of which, uninhabited Yanaha, was 51% quietly acquired by a Chinese-affiliated company two years ago.

Feb. 27, 2023: Japan Defense Ministry reports that Chinese drones caused the ASDF to scramble jets 12 times since August 2021 whereas in the eight years before, from September 2013, the ASDF had only three such scrambles.

March 1, 2023: In a stunning graphic, Renmin Ribao criticizes Tokyo Electric Power’s decision to release up to 500 tons of nuclear-contaminated water per day since it may contain large amounts of radioactive carbon-14 and other radioactive isotopes, adding that it takes tens or hundreds of thousands of years for some atomic isotopes to decay.

March 2, 2023: Global Times belatedly reports that after a three-year hiatus, the 13th China-Japan Friendship Adult Ceremony was held at the Embassy of Japan in China on Feb. 25 with Ambassador Tarumi Hideo expressing hope that people will “pay attention to and concern about each other’s culture, society and history in the future and through a variety of communication to enhance mutual understanding, and write a new chapter in the development of Japan and Chinese relations.”

March 3, 2023: Prompted by the revelation that an MSDF captain improperly briefed a retired vice admiral on several occasions in violation of the December 2014 Protection of Specially Designated Secrets Law, a Ministry of Defense committee will by March 31 compile a report outlining steps to prevent future leaks.

March 6, 2023: A national political advisor from the Hong Kong Special Administrative Region (HKSAR) says that to deepen understanding of the Party and its history among the Hong Kong public, a permanent memorial hall of the history of War of Resistance against Japanese Aggression (1931-45) and an exhibition hall of the CCP should be established as soon as possible.

March 8, 2023: Japan’s second attempt to launch the H-3 rocket on March 7 fails, as had its first attempt on Feb. 17. Coming after a two-year delay from the initial schedule, these could be a setback for the country’s entire space policy.

March 8, 2023: Chinese government announces a 7.2% rise, to $225 billion, in the country’s defense budget for 2023, though foreign analysts estimate that actual military spending may be 1.1 to 2 times higher than stated in the official budget. The official figure exceeds the projected growth rate of 5%.

March 9, 2023: To establish a supply chain that bypasses China, Japanese trading house Sojitz and the Japan Organization for Metals and Energy Security will invest $134.7 million in Australia’s Lynas Rare Earths that will supply about 30% of domestic Japanese demand for the heavy rare earths.
March 12, 2023: Xinhua reports that despite “raging” opposition both at home and abroad, Japan still intends to push ahead with its plan to dump nuclear-contaminated wastewater into the Pacific Ocean from the damaged Fukushima Daiichi nuclear power plant in this spring or summer. Japan’s wastewater discharge plan will destroy the livelihoods of local fishermen and efforts they have made for over a decade to revive the industry.

March 14, 2023: Reviewing China’s National People’s Congress, Yomiuri editorializes that Xi’s intolerance of any dissent bodes ill for world peace and urges Japan and the United States to enhance their ability to respond to any contingency so that Xi will be discouraged from attempting to change the status quo by force.

March 15, 2023: China’s Coast Guard enters waters around disputed East China Sea islets on Wednesday to counter what it called the incursion of Japanese vessels into Chinese territorial waters.

March 17, 2023: GSDF opens a garrison on Ishigaki Island adding to those built since 2016 on Yonaguni, Miyakojima, and Amami-Oshima, with the defense ministry commenting that this closes the vacuum in the area in response to China’s aggressive maritime expansion.

March 17, 2023: Taiwan’s High Speed Rail Corporation confirms that it will buy 12 new shinkansen bullet trains from a Hitachi-Toshiba consortium; THSR was the first overseas company to adopt the shinkansen.

March 18, 2023: Nikkei describes German Chancellor Olaf Scholz’s visit to Tokyo as seeking cooperation with Japan to reduce German dependence on Chinese raw materials. Although Japan is Germany’s second largest trading partner in Asia, volumes in 2022 were less than a fifth of those with China. The Associated Press reports that the two countries’ defense ministers met separately to confirm the German armed forces’ continued engagement in the Indo-Pacific region and stronger military cooperation between the two countries.


March 19, 2023: Observing Kishida’s activist diplomacy with South Korea, Germany, and India, Global Times accuses Tokyo of using external forces as “sub-ruler of Washington’s headquarters” to target China while pursuing its own sinister agenda of military expansion.

March 20, 2023: Against a backdrop of concerns about growing Chinese influence across the Indo-Pacific that includes major infrastructure investment under the Belt and Road Initiative, fueling development but also raising concerns about unsustainable debt in Global South nations, Kishida backs Indian PM Narendra Modi’s appeals to support less developed countries, announcing over $75 billion worth of infrastructure and security assistance for the Indo-Pacific; he also invites Modi to attend the G7 summit in Hiroshima in May.

March 25, 2023: Kyodo discloses that Kishida declined to meet with former Ambassador to Japan Kong Xuanyou before Kong’s departure in February. According to an unnamed government source, a reciprocal approach was considered “necessary,” since Xi Jinping did not meet former Ambassador to China Yokoi Yutaka when he departed Beijing in 2020.

March 25, 2023: Chinese exports decline in dollar terms for five straight months since last October as Western buyers reduce orders amid high inflation and a gloomy economic outlook.

March 26, 2023: Chinese security authorities recently detain a Japanese national in his 50s, an executive of Japanese company Astella’s local subsidiary, on unspecified charges.

March 29, 2023: Meeting a delegation from Taiwanese communities in Kyoto, Osaka, Kobe, Shikoku, and Hiroshima, President Tsai Ing-wen thanks Taiwanese in Japan for help in deepening ties between the two countries.

March 30, 2023: Masahiro Ichijo, retiring head of the coast guard headquarters with responsibility for Okinawa and the Diaoyu/Senkaku Islands, says in an interview with Asahi that it is important to keep the score even with Chinese Coast Guard vessels in terms of security activities.

April 1, 2023: Joining with the US and the Netherlands to prevent advanced semiconductor technologies from being used for military
purposes due to China’s growing military pressure against Taiwan, Japan’s trade ministry solicits public comments on hopes to restrict exports of 23 items such as equipment to remove impurities generated during the semiconductor manufacturing process and machines to produce semiconductor films.

April 2, 2023: New GSDF camp on Ishigaki formally opens, marking the completion of a plan to fill a hole in the GSDF’s coverage of the Nansei islands; troops having already been deployed to Yonaguni, Miyako, and Amami Oshima islands.

April 2, 2023: Foreign Minister Hayashi visits Beijing. According to Global Times, Foreign Minister Qin Gang called on Japan not to join the US in chip restrictions; having suppressed Japan’s semiconductor industry, it is now using the same tactics against China.

April 3, 2023: Chinese papers report that senior diplomat Wang Yi told Hayashi that the fundamental reason for strained relations is that “some forces in Japan are deliberately following the US wrong China policy, trying to provoke and smear China’s core interests.” Japanese papers report that Hayashi lodged a stern protest over China’s recent detention of a Japanese national and expressed Tokyo’s serious concern over the repeated entry of Chinese vessels into waters near the Japanese-controlled Senkaku Islands while underscoring the importance of peace and stability across the Taiwan Strait amid increasing Chinese military pressure in the region.

April 3, 2023: Consonant with its new Official Security Assistance program, Japan will help Bangladesh, Fiji, Malaysia, and the Philippines to improve their deterrence capabilities through the provision of defense equipment and other means to counter China and Russia and help stabilize the Indo-Pacific region.

April 3, 2023: A former GSDF chief of staff laments the absence of a clear plan to evacuate the 25,000 Japanese nationals currently in Taiwan in the event of a Chinese attack on the island.

April 4, 2023: In the longest intrusion since Japan nationalized the East China Sea islands in 2012 four Chinese Coast Guard vessels stay in the area around the disputed Diaoyu/Senkaku Islands for more than 80 hours, breaking the previous record of over 72 hours set in December 2022.

April 4, 2023: Yomiuri terms the four-hour meeting between Chinese and Japanese foreign ministers “extremely disappointing ...because the Chinese side did not give any indication that it wished to resolve pending issues.”

April 6, 2023: Yomiuri criticizes the government for the failure of its measures to prevent the outflow of manufacturing technology related to high-performance, rare-earth magnets.

April 6, 2023: Visiting with NATO Secretary General Jens Stoltenberg in Brussels, Foreign Minister Hayashi states that what concerns observers the most would be an effort by China to unify with Taiwan by force.

April 7, 2023: Diet deliberations begin on legislation to establish a new fund that would help pay for a massive defense buildup over the next five years: 43 trillion yen ($326 billion) of which new revenue sources must be found to cover about 14.6 trillion yen.

April 7, 2023: Recognizing that the new OSA program is another policy response to China’s rapid military buildup and aggressive maritime expansion that at present does not include supplying lethal weapons to four countries, Asahi cautions that it could undermine stability in the region unless combined with diplomatic efforts to expand dialogue with Beijing and build a regional order that is helpful for coexistence and co-prosperity.

April 7, 2023: Noting that China continues to engage in hegemonic activities in the South China Sea and is turning the area into a military stronghold and threatening Japan’s sovereignty over the Senkaku Islands, Yomiuri states that cooperation with more countries is essential in dealing with China but says it is important to avoid a situation in which Japan’s provision of defense equipment foments conflict.

April 8, 2023: In his first public comments since an employee was arrested in late March on espionage charges, Astellas chief executive Naoki Okamura says the pharmaceutical company plans further steps to diversify its supply chain in China but in view of the
country's huge market is not “currently” considering an exit.

**April 8, 2023:** A China Daily columnist **applauds** Foreign Minister Hayashi’s visit to Beijing and agreement to work together on such matters as holding dialogue regularly, deepening mutual understanding and trust, and defusing tensions. However, “Tokyo should squarely face its militaristic past, reflect on its historical mistakes and apologize to the victims of Japanese aggression before and during World War II.”

**April 10, 2023:** Japan expresses **concern** with China’s air operations close to Okinawan islands during its three-day punitive exercises simulating an attack on Taiwan a week earlier.

**April 11, 2023:** An Asahi editorial **terms** China’s aggressive moves toward Taiwan counterproductive and serve only to undermine its international reputation.

**April 11, 2023:** Seeking to establish a secure supply chain for lithium against Chinese companies, which hold the top global share in manufacturing batteries and have been investing heavily in mining projects around the world, Sumitomo Metal Mining **starts** talks with resources producers for joint production in such countries as Argentina and Chile, leveraging the new technology to obtain concessions.

**April 11, 2023:** Japanese foreign ministry’s annual diplomatic bluebook **describes** Beijing as intensifying its attempts to unilaterally change the status quo by force or coercion in the maritime regions and airspace of the East and South China Seas and calls China’s approach to international relations and military trends the greatest strategic challenge ever to the international order.

**April 11, 2023:** At a meeting of foreign, defense, and coast guard officials from the two countries, the first since May 2019, Japan **urges** China to immediately cease intrusions by its coast guard ships into Japanese waters around the disputed Diaoyu/Senkaku Islands, its maritime expansion in the East China and South China seas, its repeated dissemination of information lacking a scientific basis about the planned release into the sea of treated water from the Fukushima No. 1 nuclear power plant, and its continued gas field development activities on the Chinese side of the median line between the two countries in the East China Sea. China demands that Japan stop violating China’s sovereignty and harming its maritime interests in the East China Sea and the Taiwan Strait and warns Tokyo against interfering with Taiwan issues. With regard to the water release from the Fukushima nuclear plant, the Chinese side says the matter should be handled in a scientific and safe way. The two sides affirm yet again a long-delayed plan to set up a hotline between their defense authorities.

**April 11, 2023:** Japan Display Inc., formed a decade ago by a government-brokered merger among the LCD businesses of Hitachi, Toshiba, and Sony **announces** a tie-up with China’s HKC Corp. to cooperate on next-generation technology for displays.

**April 12, 2023:** As part of plans to develop counterstrike capabilities against Chinese expansionism, the Japanese government **awards** a contract to Mitsubishi Heavy Industries for submarine-launched standoff missiles.

**April 13, 2023:** Hideji Suzuki, one of 17 Japanese nationals detained in China since 2015 and imprisoned for six years, **says** Japan failed him. He applauds Japan’s somewhat stronger reaction to the current detainee but predicts that the outcome won’t change much.

**April 13, 2023:** Contrasting the failure of Mitsubishi Heavy Industry’s commercial aircraft building program with the achievements of China’s state-owned COMAC, both begun in 2008, two aviation executives—one American and one Japanese—attribute COMAC’s success to state ownership and a significant domestic market.

**April 14, 2023:** Japanese tech investment titan SoftBank **decides** to sell nearly all of its stake in Alibaba to limit exposure to China. SoftBank was an early investor in the Chinese internet giant founded by Jack Ma but began to offload its shares last year in response to the PRC’s regulatory crackdown on the financial sector.

**April 14, 2023:** Although not **reaching** the UN goal of contributing 0.7% of gross national income to Official Development Assistance, Japan is third in the world in the value of its contributions, after the US and Germany.
April 15, 2023: Recognizing that cognitive warfare has become the sixth domain of operations in addition to land, sea, air, outer space and cyberspace, Japan’s Cabinet Secretariat will develop a system to deal with information warfare designed by unnamed countries to formulate favorable international public opinion toward their country or to confuse their opponents.

April 15, 2023: Chinese analyst Da Zhigang opines that the abortive assassination attempt against Prime Minister Kishida has burst the myth of Japan being a secure country, casting doubt among residents that the Hiroshima G7 Summit will be safe, while researcher Chen Yang believes such attacks are largely due to Japan’s increasingly resentful society, caused by the sluggish economic growth and rising prices.

April 16, 2023: Criticisms grow of Indonesian President Joko Widodo’s 2015 choice of China over Japan to build a high-speed railway after Kereta Cepat Indonesia China, which is 40% owned by Chinese concerns, proposed in December adding another 30 years to its 50-year concession, meaning that the railway would be under China’s influence until early in the 22nd century.

April 18, 2023: A Chinese military commentator describes Japan’s new Official Security Assistance initiative as part of its plan to strengthen its military presence in Indo-Pacific on the pretext of maintaining "freedom, democracy and rule of law."

April 18, 2023: Aiming to reduce reliance on China for crucial materials in EV batteries and motors, METI will subsidize up to half the cost of mine development and smelting projects of important minerals by Japanese companies. Lithium, manganese, nickel, cobalt, graphite and rare earths are the main targets for support.

April 21, 2023: Aiming to check China’s influence after Kiribati cut ties with Taiwan, the MSDF begins its largest Indo-Pacific tour to date, include a port call in Kiribati. A total of 17 countries and regions will be visited, up from 12 in 2022, with a focus on Pacific Islands nations.

April 21, 2023: Prime Minister Kishida sends ritual masakaki offering to the Yasukuni Shrine at its spring festival and China issues ritual objection. Although Kishida sends the offering as a private person, the masakaki is sent under his name as prime minister. A cross-party group of around 90 lawmakers, including senior vice ministers and parliamentary vice ministers, visits the shrine, as it regularly does. China issues a ritual protest.

April 23, 2023: In a further effort to de-risk the scarce metals supply chain from China, Honda and battery manufacturer GS Yuasa Corporation will receive a ¥158.7 billion subsidy from METI.

April 28, 2023: Chinese ambassador to Japan Wu Jianghao describes the case of a detained Astellas Pharma employee as a spy incident that touches on China’s national security; it is not China that should back down, but rather individuals and organizations that are making people like the Astellas employee engage in espionage.

April 20, 2023: Former LDP Secretary General Nikai Toshihiro, known for his pro-China views, is named the new chairman of the Japan–China Parliamentary Friendship Association.
April 30, 2023: Speaking at the Japan National Press Club in Tokyo, Ambassador Wu Jianghao objects to Japan describing China as its greatest strategic challenge, its cooperation with “certain countries” to oppose and contain China, and its accelerated military buildup. Describing the statement that a Taiwan emergency is a Japanese emergency as “absurd and dangerous,” Wu continues that the G7, which had harsh words for China, has become a political tool of some countries to wantonly interfere in the internal affairs of other countries and suppress their development and progress.