



XXVIII Assemblea Generale dell'Italy-Japan Business Group (IJBG)

Panel 1: Aerospace

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Overview of "MBA"



Mission "We will support the realization of a safe and prosperous society by contributing to the common good through our work in the field of aerospace."

- Established 1982
- Wholly owned subsidiary of Mitsui & Co.
- Employees: 100+
- Annual Sales: ¥17,339M (€151M @ ¥115/€, 3/31/2016)
- Marketing & Sales to Japan for foreign companies



- For FF/DR, SAR, LE, ENG, EMS, Utility



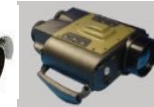
- For Surveillance, SAR, Corporate



- Defense electronics for the platforms of MOD



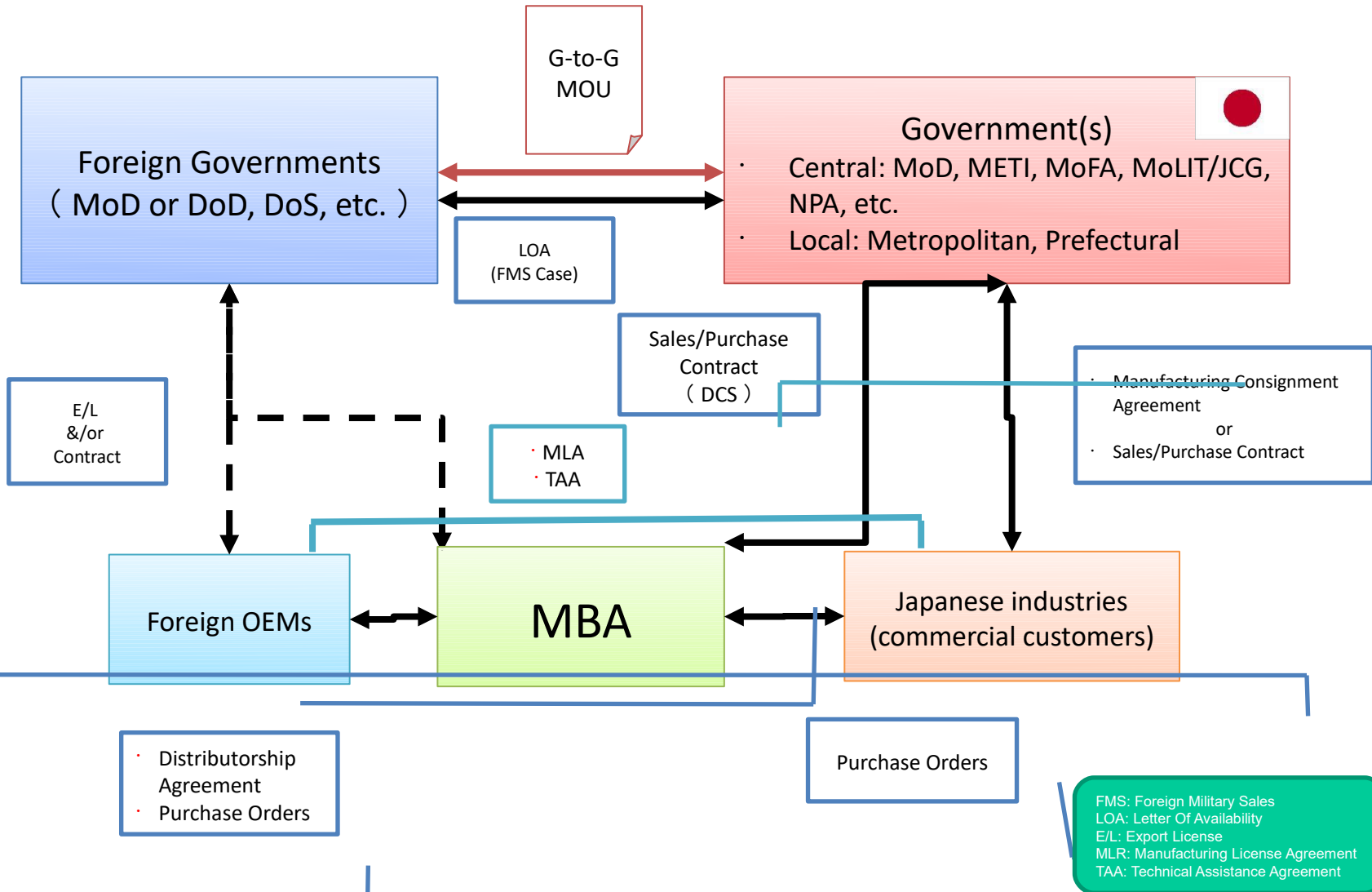
- For FF/DR, SAR, LE, Securitymbkl



- Casting parts for aircraft engines



Roles of MBA: scheme





MBA as “Solution Provider” with the legacy of Mitsui & Co.



① For Foreign OEMs

- Intelligence
- Marketing/Proposal and Sales
- Coordination with government &/or private sector
 - Arrangement of meetings
 - Negotiation
 - Interpretation
 - Arrangement of business trips
- Shipping arrangement incl. export control
- Licenses/paperwork for related regulations
- Credit approval
- Arrangement of MLA/TAA (or Maintenance Agreement)
- *Risk & Revenue Sharing (Delopment) Program*
- *Inventory*

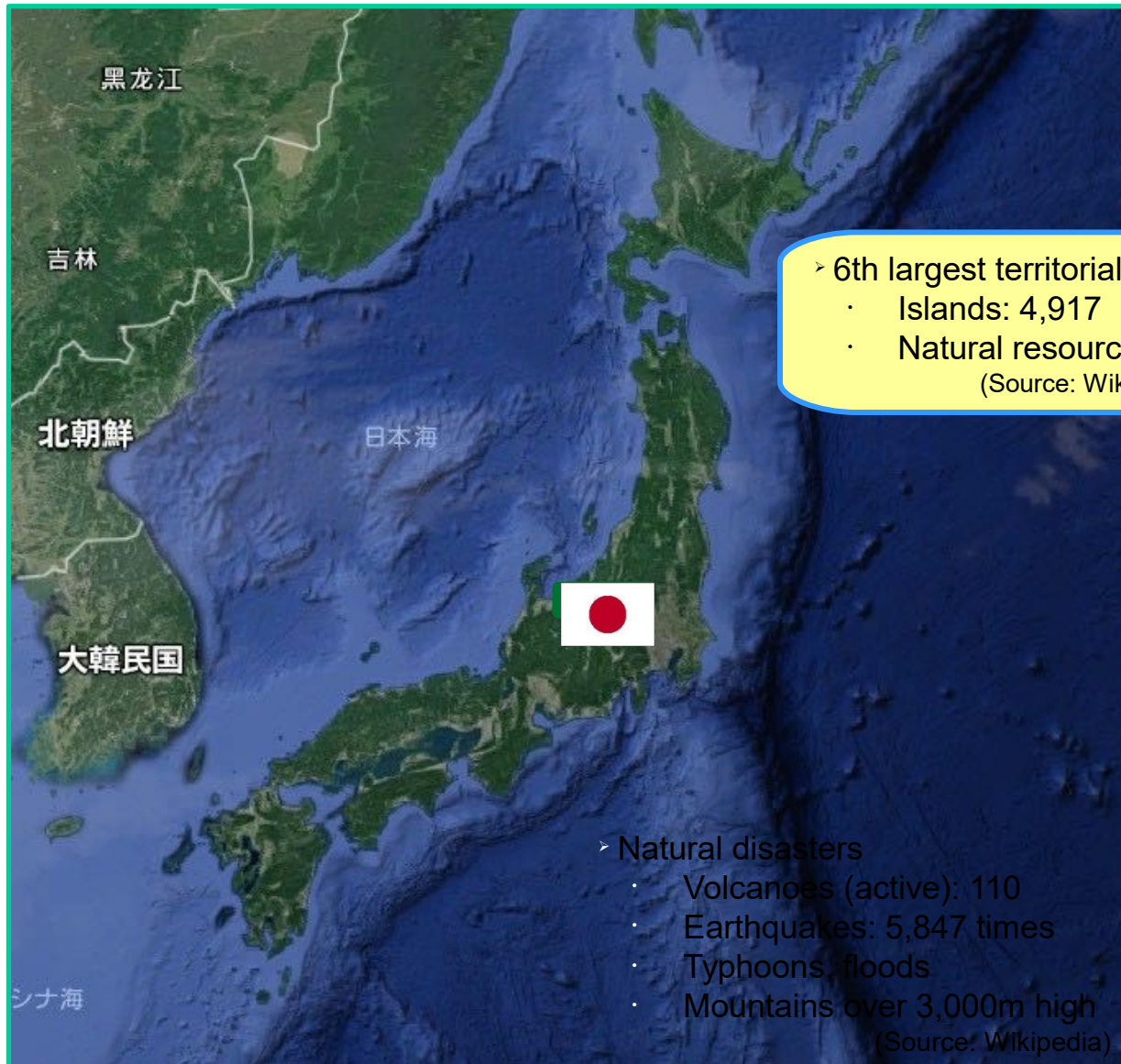


② For Japanese contractors

- 3PL(3rd Party Logistics)
 - Purchase consignment
 - Import arrangement incl. export control
 - Licenses/paperwork
 - Transportation
 - Insurance
 - Remittance (payment) to foreign entities
 - Claim settlement
 - Return shipment incl. export control
- Credit approval
- *Information gathering*
- *Inventory*

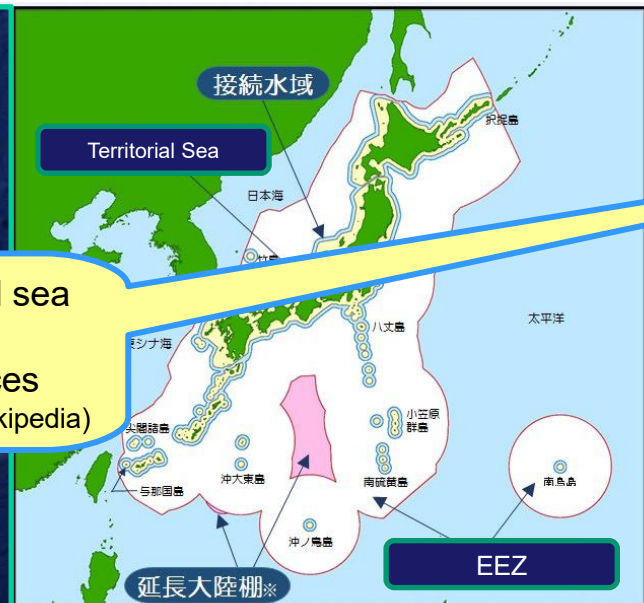


Similarity to Italy and Uniqueness of Japan



> 6th largest territorial sea
 · Islands: 4,917
 · Natural resources
 (Source: Wikipedia)

> Natural disasters
 · Volcanoes (active): 110
 · Earthquakes: 5,847 times
 · Typhoons, floods
 · Mountains over 3,000m high
 (Source: Wikipedia)



Helicopter Business: AW139 all over Japan ... and AW169 debut

High end equipment to achieve:

- Saving lives
- Protecting land and sea
- Securing public safety
- Reporting news



- Speed
- Endurance
- Power
- Crashworthiness



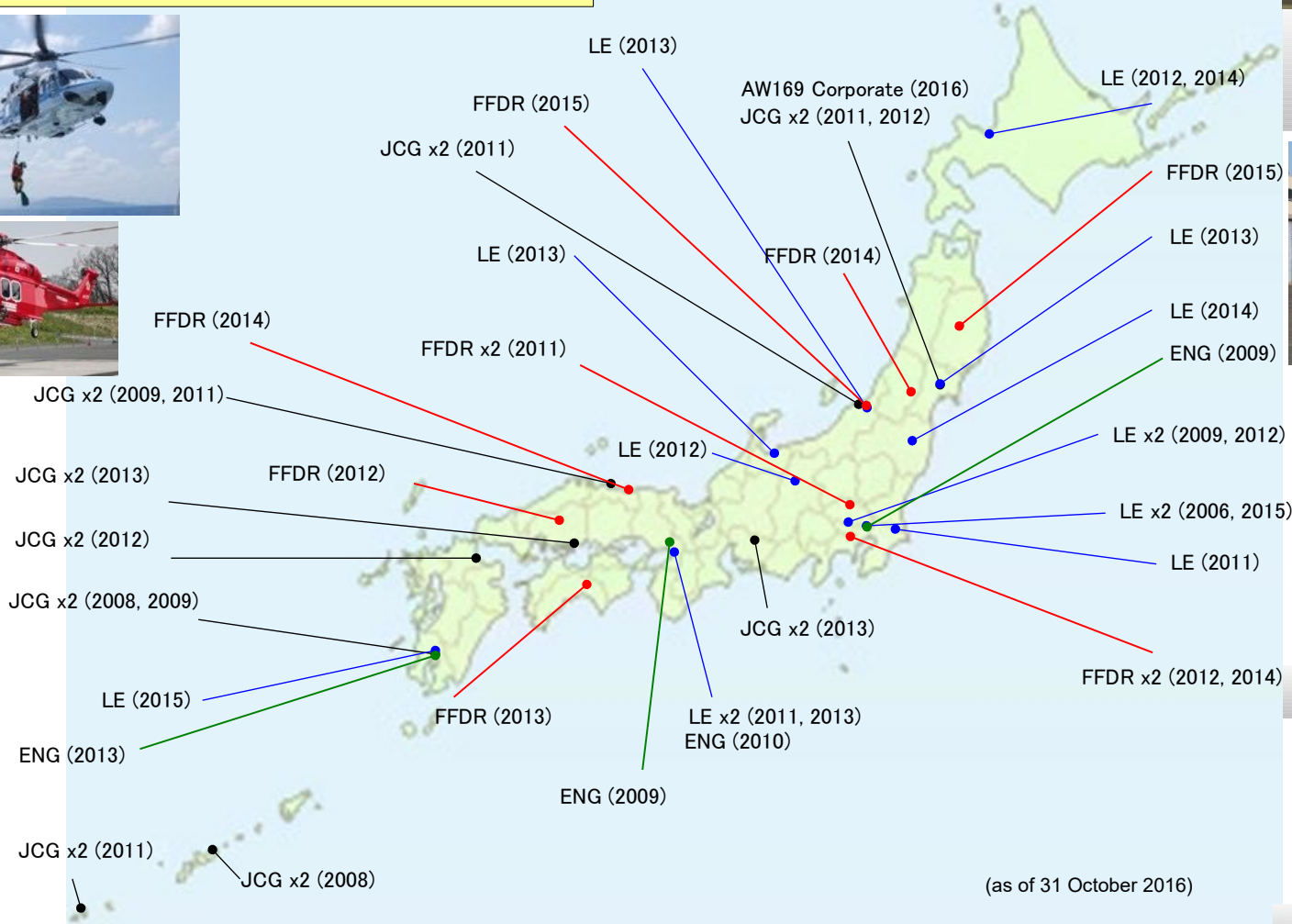
- EO/IR camera
- Heli-SAT
- Hoist Kit



Fire Extinguisher



4K/8K camera



Defense Business: How to read the White Paper



Security environment surrounding Japan

- Gray-Zone reaction
- North Korea: nuclear and SLBM tests
- China: A2/AD, South China Sea/Subi Reef reclamation
- International terrorism, cyberterrorism
- Territory issues: The Northern Territories, Takeshima Island, Senkaku Islands)

For not only U.S. but also other allies/friendly countries:

- Interoperability
- Interchangeability



New security legislation (19 September 2015)

- Enactment of new laws that ease restrictions on overseas activities of the Self-Defense Forces, including allowing them to help allies even if Japan is not directly attacked

Opportunity of increasing product competency:

- Co-development
- Co-production



ATLA (Acquisition, Technology & Logistics Agency) (established 1 October 2015)

- To enhance technological Capability
- Project Management (e.g. P-1, C-2)
- Defense equipment and technology cooperation
 - Three Principles on Transfer of Defense Equipment and Technology
- To maintain and strengthen defense production and technological bases
- Cost reduction effort and to strengthen inspection and audit functions

Source: J-MoD's "Defense of Japan 2017" (26 August 2016)



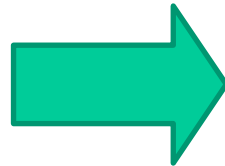
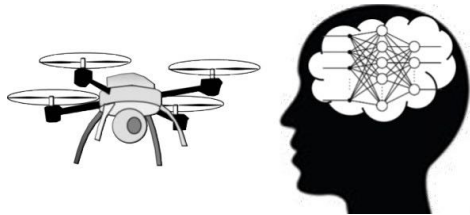
Fig. III-2-1-5 Situations Concerning the Conclusion of Agreements

	Security and Defense Cooperation Documents	Information Security Agreement	Defense Equipment and Technology Transfer Agreement	Acquisition and Cross-Servicing Agreement (ACSA)
United States	Japan-U.S. Security Treaty Signed in September 1951 and entered into force in April 1952 Signed in January 1980 and entered into force in June 1980	Signed and entered into force in August 2007	Signed the Mutual Defense Assistance Agreement between Japan and the United States of America in March 1954 and entered into force in May 1954 Established the Transfer of Military Technologies to the United States of America (exchange of notes) in November 1983 Established the Transfer of Arms and Military Technologies to the United States of America (exchange of notes) in June 2006	Signed in April 1996 Entered into force in October 1996 Signed the amended Agreement in February 2004 The amended Agreement entered into force in July 2004
Australia	Signed in September 2003 Revised in December 2008	Signed in May 2012 Entered into force in March 2013	Signed in July 2014 Entered into force in December 2014	Signed in May 2010 Entered into force in January 2013
United Kingdom	Signed in January 2004 Revised in June 2012	Signed in July 2013 Entered into force in January 2014	Signed and entered into force in July 2013	Agreed to commence negotiation concerning the conclusion at the Summit Meeting in May 2014
France	Signed (exchange of notes) in April 2001 Revision of annex statement in August 2003 Signed statement of intent in July 2014	Signed and entered into force in October 2011	Signed in March 2015	Under consideration
India	Signed in September 2014	Negotiation commenced in September 2015 Signed and entered into force at the Japan-India Summit Meeting in December 2015	Negotiation commenced in August 2015 Signed at the Japan-India Summit Meeting in December 2015	—
Republic of Korea	Signed in April 2009	Agreed at the Japan-ROK Ministerial Meeting in January 2011 to promote an exchange of views * The signing was postponed by the request from the ROK side at the end of June 2012	—	Agreed to move forward with opinion exchanges at the Japan-ROK Ministerial Meeting in January 2011
Indonesia	Signed in March 2015	—	Negotiation commenced at the "2+2" Meeting in December 2015	—
Philippines	Signed statement of intent in July 2012 Signed memorandum in January 2015	—	Broadly agreed at the Summit Meeting in November 2015 Signed in February 2016 Entered into force in April 2016	—
Malaysia	—	—	Agreed to commence negotiation at the Summit Meeting in May 2015	—
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Canada	—	—	—	Agreed to commence negotiation for conclusion at the Japan-Canada Vice-Minister level "2+2" dialogue in August 2011 Substantial agreement at the Summit Meeting in September 2013
Russia	Signed in August 1999 Revised in January 2006	—	—	—
NATO	—	Signed and entered into force in June 2010	—	—

* In addition to the countries in the table, Japan has signed documents regarding defense cooperation with Singapore, Vietnam, Mongolia, Cambodia, Spain, Bahrain, Qatar and Georgia.



1. Securing technological superiority
2. Optimized acquisition with project management
3. Cooperation for defense equipment and technology
4. Maintaining/strengthening the infrastructure of defense production and technology



Key areas for study based on JFY2017 budget request

- ① Unmanned systems
- ② AI/Network
- ③ High power energy
- ④ Upgrade of function/performance of the equipment in service

Key items in medium and long-term technology estimates

1. Surveillance capability
2. Intelligence
3. Transportation capability
4. C4ISR
5. Security of sea and air space around Japan
6. Remote Island OP
7. Ballistic Missile Defense
8. Countermeasure to Guerilla Commando, Special Force
9. Outer space
10. Cyber space
11. Large-scale disaster
12. Peace Keeping Operation
13. Efficiency of R&D



Commitment of MBA

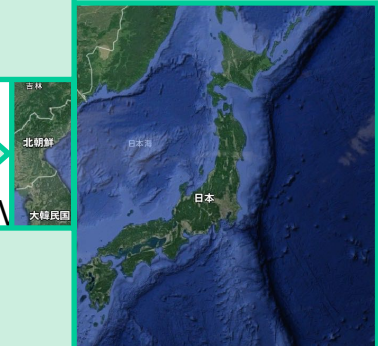


- Will help create the “Best Mix” of the products of Italy and Japan utilizing achievements and know-how in the aerospace, defense, aviation and security areas.



Providing...
...m thank...
...en if an international co-development...
...anyone in defense (business...)

Customization
or
Modification of M...



- Is looking forward to working together with the Italian excellent companies to... and our Mission(s).



Grazie mille!





- **NDPG (National Defense Programs Guidelines)**
 - ✓ Persistent intelligence, surveillance and reconnaissance
 - ✓ Intelligence capability to detect and respond to various situation
 - ✓ Response to an attack on remote islands
 - ✓ To set out clear principles on the overseas transfer of arms and military technology
 - ✓ Efficient acquisition of equipment

- **MTDP (Medium Term Defense Program / JFY2014-18)**
 - **JASDF:**
 - To enhance the air defense posture of the southwest region, one fighter squadron is relocated to Naha Air Base. ⇒F-35A: 28, E-2D: 4, RQ-4: 3
 - **JMSDF:**
 - Defense of the sea surrounding Japan and ensuring the security of maritime traffic in the region. ⇒DD/G:5, P-1:23
 - **JGSDF:**
 - The defense posture of the remote islands in the southwest region will strengthened. ⇒ V-22: 17, AAV7: 52

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