

Japanese politics & policy**Japan lifts ban on lethal arms exports for first time since second world war**

Major shift from pacifist stance will allow defence contractors to target international markets



The new rules will allow Japanese defence contractors to export almost any military equipment, provided the buyer is not involved in an active conflict © Kim Kyung-Hoon/Reuters

Leo Lewis and Harry Dempsey in Tokyo

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Japan will allow its companies to export lethal weaponry for the first time, in a landmark break with its pacifist stance as it seeks to become a manufacturing powerhouse in the global arms market.

The historic policy shift comes in response to what Japan sees as the “most severe” security environment since the second world war, and sets up companies such as Mitsubishi Heavy Industries and Kawasaki Heavy Industries to become major suppliers of missiles, aircraft and ships to the US, UK and countries in south-east Asia.

The policy change, which was approved on Tuesday by Prime Minister Sanae Takaichi's government, frees Japanese companies to export almost any military equipment provided the buyer passes strict screening criteria and is not involved in an active conflict.

Under the previous regime, established in 2014, exports were limited to five categories of non-lethal military equipment used in operations such as search and rescue or minesweeping.

"This is critical as institutions constrain opportunities," said Hirohito Ogi, a former ministry of defence official. "Japan should have revised these two or three years ago when Russia invaded Ukraine or Chinese military ambitions became clear. Doing something later is better than doing nothing."

Takaichi has sought to bolster Japan's defence capabilities, furthering a trend begun by her mentor and late predecessor, Shinzo Abe, in response to threats from a more assertive China and nuclear-armed North Korea.

Abe saw the constraints on Japanese military exports as a long-term risk for the economic viability of domestic defence manufacturers, and began reforms that would allow them to expand their potential customer base beyond domestic sales to the Japan Self-Defense Forces.

Under the new system, ministers and officials will have significant decision-making powers over which sales to approve, streamlining a time-consuming process that previously required parliamentary debate.



The Mogami-class frigate Mikuma berthed at the Yokosuka naval base. Australia recently signed a contract to buy three similar vessels © Yuichi Yamazaki/AFP/Getty Images

The revision provides the legal basis for Japan's recent international arms deals such as the multibillion-dollar contract signed with Australia over the weekend for three Mogami-class frigates and the next-generation fighter jet that Japan is developing with the UK and Italy.

According to Japanese officials and diplomats in Tokyo, Japan is already in discussions with a number of countries over potential military sales. An expected visit to Indonesia and the Philippines by Japan's defence minister Shinjiro Koizumi will probably include discussions on equipment, they said.

Military experts have also noted an increasing Japanese presence at international defence trade shows.

“We believe it is necessary to advance meaningful transfers of defence equipment from the perspective of strengthening co-operation with allies and like-minded countries in the Indo-Pacific region,” the defence ministry said in a statement to the FT.

Japan's arms export system overhaul comes as US arms supply has come under strain from the wars in Ukraine and the Middle East, opening a window for other nations to supply missiles, drones and warships.

Japanese defence contractors — which have developed advanced missile, submarine and radar technologies — praised the move, though exports of lethal weapons to nations at war, such as Ukraine, will only be permitted in exceptional cases if it is deemed necessary for Japan's national security.

The move “will have a significant impact on creating a market environment that accelerates international co-operation”, said IHI, a maker of rocket systems for guided missiles and aircraft engines.

Toru Tokushige, chief executive of Japan's Terra Drone, said the legal revision would open up huge market opportunities, adding that discussions with potential customers in the Middle East, US and Europe had already accelerated.

“Now the door is open,” he said.

However, other defence groups, including MHI, were sceptical that the legislative change would lead to sweeping business opportunities, noting concerns about their ability to raise production to meet international demand.

“I think the primary priority should be Japan's own defence,” said Yoshinobu Tsutsui, chair of Keidanren, Japan's biggest business lobby. “An appropriate balance is needed between domestic needs and exports.”

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