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U.S. could receive license-built Patriot missiles

Japan relaxes defense export regulations

GABRIEL DOMINGUEZ
AND GABRIELE NINIVAGGI
STAFF WRITERS

In a major policy shift that could see Japan make its first export of lethal military equipment as early as next year, the government on Friday loosened the country's strict defense export rules as Tokyo continues to shed some of its postwar constraints on defense.

The administration of Prime Minister Fumio Kishida justified the move by saying that defense equipment transfers have become important policy tools to both "deter unilateral changes to the status quo by force and create a desirable security environment for Japan."

The revision had been anticipated since last December, when Tokyo overhauled its national defense and security strategies and pledged to raise defense spending to 2% of gross domestic product by 2027, citing concerns about the deteriorating international security environment.

The changes, recommended last week by a group of lawmakers belonging to the ruling Liberal Democratic Party-Komeito coalition, come as Japan moves to export license-built Patriot air-defense missiles to the United States following a request by Washington to help replenish weapon stockpiles depleted by its military assistance to war-torn Ukraine.

To enable this, Tokyo has revised the country's defense equipment and technology transfer guidelines — originally established in 1976 — for the first time since 2014, allowing the export of finished defense products, including lethal ones, manufactured in Japan under foreign license to the countries that hold patents for the equipment.

The Self-Defense Forces operate dozens

of weapon types and other military systems produced locally under license from U.S. or European defense companies.

Previous guidelines only permitted the export of license-built components to the U.S., such as engine parts or missile guidance equipment, while also allowing the transfer of locally developed nonlethal assets and technologies, as seen with Japan's provision of patrol vessels and early-warning radars to the Philippines.

Decisions over what equipment will be transferred to which country or region will be made on a case-by-case basis, either by the National Security Council or a council of four ministers: the prime minister, the chief cabinet secretary, the foreign minister and defense minister. The parties in the ruling coalition will also be consulted, officials told reporters.

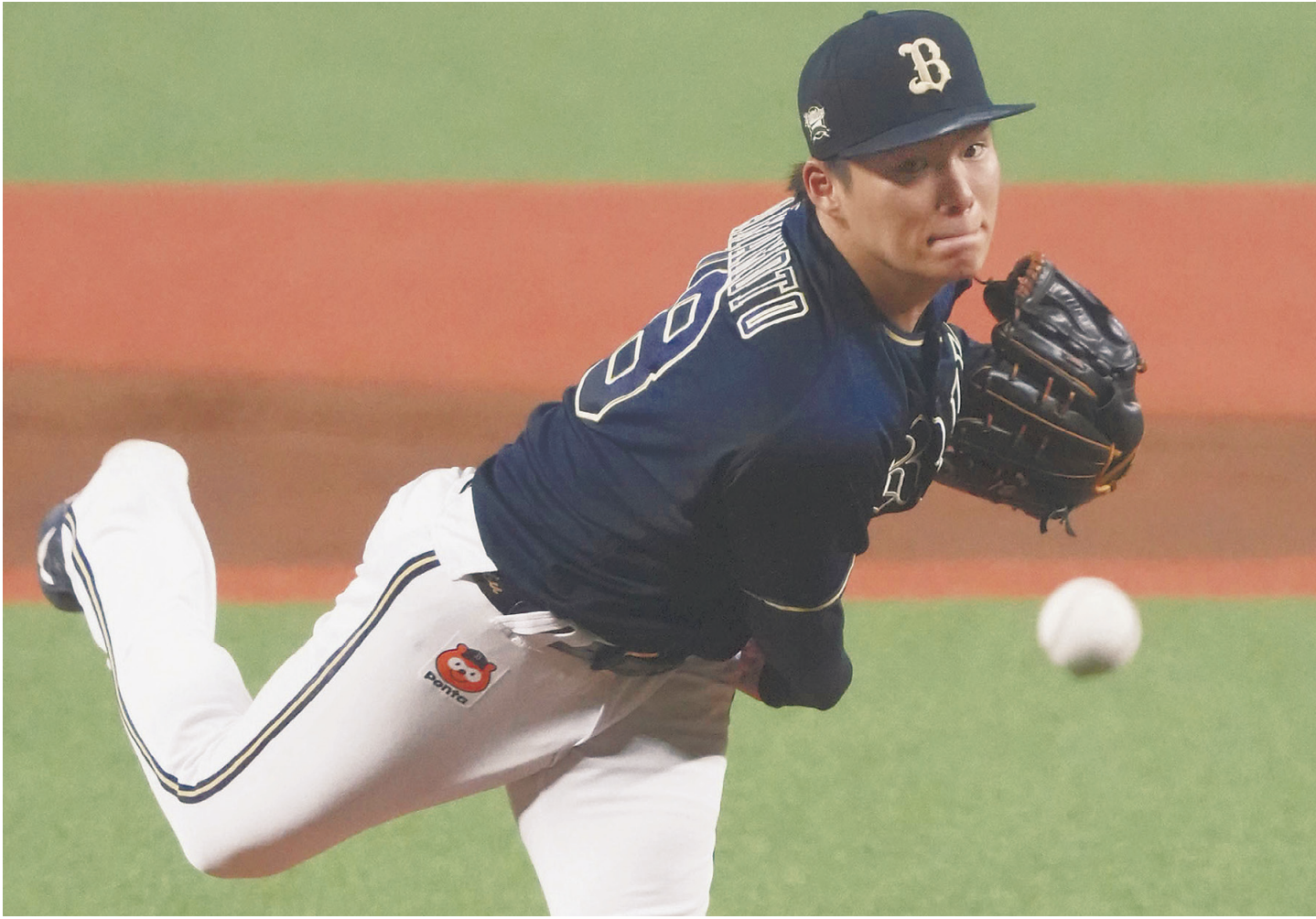
They also said that the destination of Japan's defense exports will be decided based on their impact on Japanese and international security, as well as the receiving country's level of involvement in a conflict. In principle, however, deliveries will still not be permitted to countries or regions actively engaged in armed conflicts.

Tokyo made it clear that the upcoming delivery of Patriot missiles is only meant to replenish U.S. stocks and not for further transfer to a third country. However, under the revised framework, license-built military gear could also be transferred to third countries as long as Tokyo gives its approval.

This means, for example, that Washington could transfer the Japanese-made Patriot missiles to countries in Europe as long as recipients are not officially in a state of war.

While this prohibits transfers to Ukraine, which is approaching its third year of countering a Russian invasion, Tokyo's revisions

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Yoshinobu Yamamoto's reported \$325-million deal with the Los Angeles Dodgers is set to be a major league record for a pitcher. KYODO

Dodgers sign Yamamoto for \$325M

The 25-year-old will join two-way superstar Shohei Ohtani in LA

KYODO, REUTERS, STAFF REPORT

Japanese pitcher Yoshinobu Yamamoto has agreed to a 12-year, \$325 million (about ¥46.3 billion) contract with the Los Angeles Dodgers, MLB.com reported late Thursday.

The 25-year-old right-hander will join compatriot Shohei Ohtani as a member of the star-laden Dodgers.

Yamamoto's pact, which is pending a physical, would eclipse New York Yankees ace Gerrit Cole's deal by \$1 million, making it the largest contract for a pitcher in major league history (not counting the contract for two-way superstar Ohtani). The Dodgers also will pay \$50.6 million in a posting fee for Yamamoto, who helped lead the Orix

Buffaloes to Pacific League pennants in each of the past three seasons.

"I also feel a little sad, because I love Orix so much," Yamamoto said in a statement, according to NHK, after his MLB move was made official last month. "I had a lot of good experiences here and grew a lot over the past seven years."

The reported deal with the Dodgers is by far the largest for a Japanese player ahead of his MLB debut, eclipsing the \$155 million, seven-year contract the New York Yankees gave to Masahiro Tanaka prior to his rookie year in 2014.

Yamamoto represents the second major free agency coup of this offseason for the Dodgers, who signed Ohtani to a \$700 million, 10-year deal earlier this month. The two were also teammates on Japan's 2023 World Baseball Classic-winning roster. Yamamoto also won a Japan Series in 2022 with Orix and a gold medal with Samurai Japan at the Tokyo Olympics in 2021.

The Yankees, New York Mets, Boston Red Sox, San Francisco Giants, Philadelphia Phillies and Toronto Blue Jays had also pursued Yamamoto, per multiple reports.

Yamamoto had a 16-6 record with a career-best 1.21 ERA and 169 strikeouts over 164 innings in 23 games this year. Those numbers helped him to his third straight Triple Crown in the Pacific League as he led the league in wins, ERA and strikeouts.

Only three pitchers in MLB have won the pitching Triple Crown three times: Sandy Koufax, Walter Johnson and Grover Cleveland Alexander.

The Okayama Prefecture native also won the Eiji Sawamura Award as Japan's most impressive pitcher and Pacific League MVP in each of the past three seasons. On Sept. 9, he became only the third pitcher in the history of Japanese pro baseball to throw no-hitters in consecutive years.

He had a 70-29 career record with a 1.82 ERA in seven years in NPB, all with the Buffaloes.

Subsidized college tuition to be offered to large families

YUKANA INOUE
STAFF WRITER

Free college tuition will be offered to at least one child in a family with three or more children, it was decided by the Children's Future Strategy Council on Friday, with all children being covered in some circumstances.

Starting in the fiscal year beginning April 2025, to cover annual tuition fees ¥540,000 (\$3,800) will be provided to children attending a public institution and ¥700,000 to those going to a private school — in addition to payments for entrance fees of ¥280,000 and ¥260,000, respectively — to make college tuition mostly free of charge.

Under this policy, for families with three or more children, the first child will be offered financial aid when they enter a higher education institution, such as a university, junior college, technical college or vocational school.

If there are multiple children who are close in age — meaning, for example, that the oldest is in their fourth year of college while the second is in their first year — the aid will be extended to both, in order to alleviate some of the financial stress on households that comes with multiple children being in college at the same time.

If all three or more children are in higher education at the same time, all would be offered the aid.

However, in cases where the first child has already graduated and is no longer dependent on their parents by the time the second child starts college, the aid would only be given to the first child as the household would no longer be considered to have three dependent children, meaning that the family would have to pay tuition for the second and third child.

For families with four children, the aid would be given to the first two children to attend college, and so on.

This policy has already been in place for low-income households, but the government plans to expand it to all families regardless of their income.

"We will work to reform the way we think

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Shakeup in the LDP

Prime Minister Fumio Kishida constrained by funds scandal as he searches for new senior party officials | **NATIONAL, PAGE 2**

Fears over true Gaza death toll

Only bodies identified or claimed by relatives included in official figures | **WORLD, PAGE 5**

NOTICE TO READERS

The New York Times International Edition will not be published on Christmas Day, Dec. 25. The Japan Times, Ltd.

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Cooling inflation offers encouragement for BOJ

ERICA YOKOYAMA AND KEIKO UJIKANE
BLOOMBERG

Japan's inflation in November slowed in line with expectations, while services showed signs that underlying price growth is spreading more widely in the economy — a key trend followed by the central bank amid ongoing speculation it will pare back its stimulus in coming months.

Consumer prices excluding fresh food items rose 2.5% from a year earlier as falls in energy costs deepened and gains in processed food prices eased, the internal affairs ministry reported Friday. The result matched forecasts by economists.

Meanwhile, service prices rose by 2.3%, the fastest pace since October 1993 excluding the impact of sales tax hikes, in an indication that inflation may be moving beyond temporary cost-push factors.

The latest figures fit in with earlier data for Tokyo and the Bank of Japan's view that price pressures will gradually cool as import-driven inflation subsides, with the focus on whether a wider trend supported by wage growth takes root.



The inflation gauge is under close scrutiny as economists and investors try to determine the timing of a likely move by the BOJ to raise interest rates for the first time since 2007. The bank decided to stand pat at its latest policy meeting earlier this week and offered little indication of when it would scrap its negative rate. Two-thirds of BOJ watchers expect it to move by April.

"The BOJ governor said at his news brief-

Japan's core consumer prices rose 2.5% in November from a year earlier, marking the slowest pace of increase in over a year. BLOOMBERG

ing the other day that he was closely watching service prices, so this is a positive movement for the central bank," said Kohei Okazaki, senior economist at Nomura Securities. "The question is how far you need to look before having the confidence you can see the 2% stable inflation target, so inevitably it'll have to be a holistic decision."

Okazaki sees the central bank scrapping its negative interest rate in January and waiting until April to abandon its control of bond yields, a stepped approach that may help limit the shock factor for markets.

The consensus among economists surveyed by Bloomberg earlier this month is for the BOJ to raise rates by April after checking on the results of annual pay negotiations due in March.

"The spring wage results are important, but from what we can see, the BOJ is also getting a lot of information from hearings for their branch managers meeting, so I think it's whether there is evidence of progress in the moves to shift labor costs to prices or not," said Mari Iwashita, chief market economist at Daiwa Securities.

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Roundtable: Sustainability with Ross Rowbury

New date and time:
Tuesday, Jan. 9, 2024

10:30 to 11:40: Talk session
11:50 to 13:00: Lunch and discussion
Location: The Japan Times

Audience participation limited to 10 people.
To join, use the QR code or visit:
https://peatix.com/event/3789924



How the Japan Times is shaping the narrative for environmental progress



Guest: Chris Russell
Senior News Editor at The Japan Times

Chris Russell is a senior news editor at The Japan Times, and in that role he helps shape the paper's business coverage and jointly oversees the Our Planet page focused on the environment and climate change. He also finds time to write stories of his own, covering everything from U.N. climate negotiations to Tokyo's club scene.

Contact: jtc-csinfo@japantimes.co.jp Roundtable by the japan times