In the post-war period,

Japan has become the world's second largest economic power.

Never turning into a military power and always observing pacifism,

Japan has played an active role in achieving world peace and prosperity

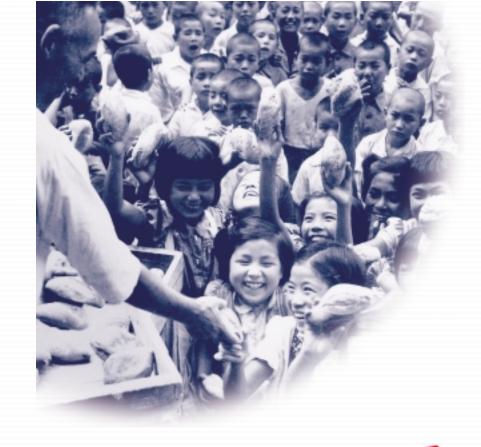
by contributing financially,

such as through Official Development Assistance

and contributions to the UN, and by personnel contributions,

such as participation in UN peacekeeping operations.

Excerpts from the General Policy Speech by Prime Minister Junichiro Koizumi at the 162nd Session of the National Diet in January 2005







e 2

The path of a nation striving for global peace

During a certain period of the past, Japan followed a mistaken national policy and caused tremendous damage and suffering to the people of many countries, particularly to those of Asian nations, through its colonial rule and aggression. Japan squarely faces these facts of history in a spirit of humility. With feelings of deep remorse and heartfelt apology always engraved in mind, Japan, underpinned by its solid democracy, has resolutely and consistently strived for peace by adhering to a strictly defensive security policy, preventing the escalation of international conflict, and dedicating itself to international peace and stability by mobilizing all its available resources. It has adhered to the Three Non-Nuclear Principles.* During these 60 years, Japan has never resorted to the use of force.

Rising from the ashes of war, Japan has developed into the world's second largest economic power and shares global responsibilities. Japan has been making international contributions for the peace, security, and prosperity of the international community through the United Nations (UN) and various channels, and by providing Official Development Assistance (ODA). In the years to come, Japan, as a nation striving for global peace with major responsibilities in the world, will continue to play a substantial role in the global community in order to make the world a better place to live in.

^{* &}quot;The Three Non-Nuclear Principles" means "not possessing, not producing and not permitting the introduction of nuclear weapons into Japan."



Restarting as a nation striving for global peace



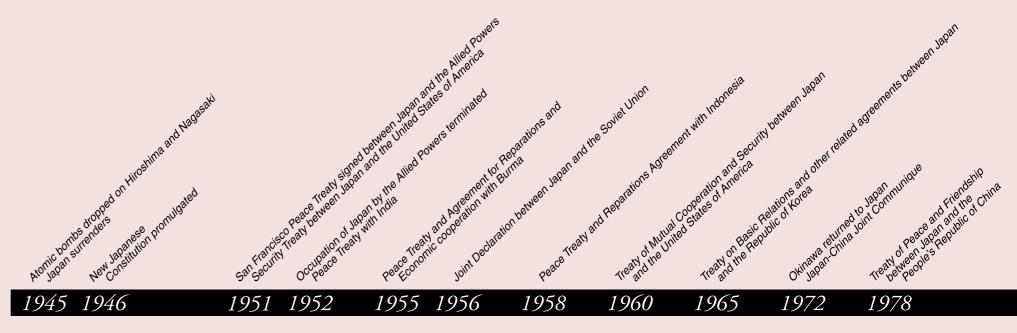
Prime Minister Shigeru Yoshida addressing the San Francisco Peace Conference (1951)

©The Mainichi Newspapers.

Postwar settlement

A Islands, a portion of Sakhalin, and other territories, and accepted the judgments of the International Military Tribunal for the Far East (Tokyo Trial), in which 25 Japanese leaders had been convicted of war crimes. Many other Japanese were convicted in other war crimes courts. Japan has dealt with the issues of reparations, property and claims, in accordance with the San Francisco Peace Treaty, the bilateral peace treaties, agreements and instruments. Japan paid reparations to Burma, Indonesia, the Philippines and Vietnam, while others waived them. After the normalization of its relations with the Republic of Korea, China and other countries, Japan extended a substantial amount of economic cooperation. With the parties to these documents, the issues of reparations, property and claims, including the claims by individuals, have been settled legally.*

*With Russia, a peace treaty remains to be concluded. Japan and Russia have been continuing negotiations to conclude a peace treaty through resolving the Northern Territories issue. Japan's policy toward North Korea is to resolve comprehensively various issues based on the Pyongyang Declaration, and thereby normalize relations in a manner that would contribute to the peace and stability of Northeast Asia.





Prime Minister Kakuei Tanaka and Premier Zhou Enlai of China (1972)

Prime Minister Junichiro Koizumi addressing the Asian-African Summit

"In the past, Japan, through its colonial rule and aggression, caused tremendous damage and suffering to the people of many countries, particularly to those of Asian nations. Japan squarely faces these facts of history in a spirit of humility. And with feelings of deep remorse and heartfelt apology always engraved in mind, Japan has resolutely maintained, consistently since the end of World War II, never turning into a military power but an economic power, its principle of resolving all matters by peaceful means, without recourse to use of force."



Asian-African Summit in Indonesia (2005)

Economic reconstruction and reintegration into the international economy

Aid from the world

he Japanese worked hard for the reconstruction of the country, but the rapid recovery would not have been possible without the assistance provided by the United States and the international community. In 1955, production reached a par with the pre-war level. The first Olympic Games in Asia was held in Tokyo in 1964 and the World Exposition was held in Osaka in 1970, symbolizing the reconstruction of the Japanese economy. Today, as the second largest industrialized economy, Japan plays an active role in rule-making for the international economy.



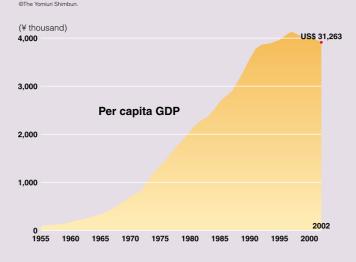
(From 1949 to 1964, skimmed powder milk from UNICEF was distributed to primary schools and mother-and child health organization throughout the country.)



Tokyo Stock Exchange



(Infrastructure, such as highways and the Shinkansen bullet train system, were built thanks to the loans provided by the World Bank. It is only as recent as in 1990 that Japan fully repaid those loans.)



The free trade system and EPAs

The keystone of Japan's external economic policy has been the reinforcement of a multilateral trading system through GATT and the WTO. In recent years, Japan has been working to conclude Economic Partnership Agreements (EPAs) to complement the multilateral free trade system. It has already concluded EPAs with Singapore and Mexico and is now negotiating mainly with East Asian countries.

International cooperation toward peace



UNHCR Sadako Ogata visiting Rwandan Refugee Camp in Zaire in February 1995

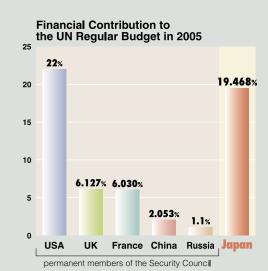


Contributions through the UN

apan has served nine times as a non-permanent member of the Security Council. Many Japanese have been playing an active role as UN staff, including former UNHCR Sadako Ogata. Financially, Japan is the second largest contributor to the UN. Japan is prepared to play a more constructive role in a reformed United Nations as a new permanent member of the expanded Security Council.

Disarmament and non-proliferation

The strengthening of the international disarmament and non-proliferation regime is essential. Japan, as the only country ever to have experienced nuclear bombing, not only observes its declared Three Non-Nuclear Principles but also works actively to create a peaceful and safe world free from nuclear weapons.



Peace-keeping, peace-building, humanitarian reconstruction support

he through solution of conflicts demands seamless assistance ranging from humanitarian emergency relief to assistance for conflict termination, reconstruction and development, and Japan has been tackling this challenge. Japan has dispatched its Self-Defense Forces to participate in UN peacekeeping operations (PKOs) in Cambodia, Mozambique, the Golan Heights and Timor-Leste. In the fight against terrorism after the September 11 attacks, Japanese Self-Defense Forces have been carrying out fuel supply operations in the Indian Ocean. Furthermore Japan has been supporting the reconstruction of Iraq through the deployment of the Self-Defense Forces in parallel with the extension of its ODA. Japan will continue to actively participate in international cooperation in this domain.

PKO in Cambodia

Japan joined the OECD Tokyo Ólympic Games

Japan's GNP became the second largest n the free world

Osaka World Exposition

Japan shifted to the floating exchange rate system

Japan joined the World Bank Japan joined the IMF

JUNICEF aid to Japan started

Japanese ODA first extended Japan joined the GATT Japan admitted to the UN

1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972

The GATT system was formed

IEEC (European Economic Community) established

First Oil Crisis

"Nixon Shock (Devaluation of the dollar)

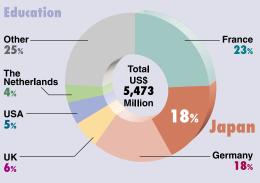
WORLD World Bank IMF established

JAPANESE

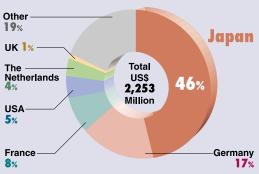
Official Development Assistance

Japan's Contribution in the Sectors of Education and Water and Sanitation

(Share of DAC total) (2003)

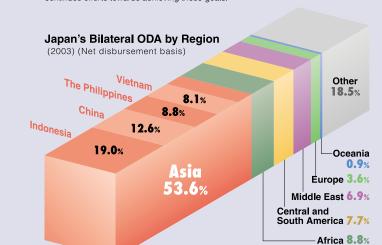


Water and Sanitation



Responses toward attaining the Millennium Development Goals

"The Millennium Development Goals (MDGs)" extracted from the Millennium Declaration are the goals with specific target figures for the eradication of extreme poverty and hunger, the universal achievement of primary school education, etc. Japan, as major donor in education, water supply, health care and environmental protection, all of which are major target areas of the MDGs, continues efforts towards achieving these goals.



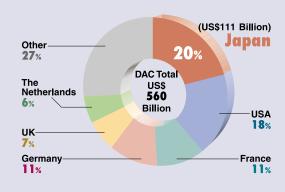
World's leading donor country

S ince Japan started extending ODA in 1954, it has provided a total of 230 billion dollars to 185 countries and regions. In the past 10 years, Japan has provided one-fifth of the world's total ODA, placing emphasis on developing countries' efforts for self-help and the concept of human security.

For Asia and Africa

Japan has provided 60% of its ODA to the countries in Asia. The improved economic infrastructure and investment climate resulting from Japan's ODA has led to an increased inflow of foreign direct investment and the expansion of exports. Assistance provided in the field of education and public health has contributed substantially to the human resource development of Asian countries. As for cooperation to Africa, Japan has led international discussions on African development through the Tokyo International Conference on African Development (TICAD) process since 1993 and will host TICAD IV in 2008. Japan will double its ODA to Africa in the next three years.

Japan's Contribution to Global ODA (1994-2003)



Human resources development

H uman resources development is the foundation of nation-building. Since 1954, Japan has trained more than 270,000 people from 193 countries and regions and has sent more than 90,000 experts and volunteers to countries all over the world.

Culture

J apan has been providing support to developing countries in their national efforts to promote their culture, improve higher education and preserve their cultural and historical heritage. The total amount of Japan's Cultural Grant Aid extended is US\$ 502.8million (\$1=¥108.2).

NGOs

The Japanese government has been strengthening its partnership with NGOs. A system has been introduced to enable the government to provide financial support to NGOs for their own aid projects in developing countries.



NGOs working actively in Afghanistan @kyodo New



Japan Overseas Cooperation Volunteers (Currently, approximately 2,400 JOCVs are involved in various cooperative activities in 71 countries around the world.)

Environment and disaster reduction

Environmental protection is a major focus of Japanese cooperation and about 30% of Japanese ODA is related to this field. Besides advancing the Kyoto Protocol, Japan has been offering the international community its know-how on disaster reduction through the International Decade for Natural Disaster Reduction and two World Conferences. Japan is providing substantial assistance to the countries affected by the Dec. 26 tsunami, including through the creation of a tsunami early warning system.



Assistance by the Self-Defense Forces, following the Major Earthquake off the Coast of Sumatra and Tsunami in the Indian Ocean

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GDP: us\$ 4,295 billion

> Japan-Mexico Economic

Agreement

Sel<mark>f-Defen</mark>se Forces dispatched to Iraq

Ja<mark>pan-Singapore Economi</mark>c <mark>Agreement for a New Age</mark> P<mark>artners</mark>hi<mark>p signed</mark>

Maritime Self-Defense Forces' fuel supply operations started in the Indian Ocean

Cont 11

The International Peace Cooperation Law enacted Participation in PKO in Cambodia

975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005

Second Oil Crisis
First Summit Meeting
of the industrial democracies

JAPANESE

EVENT

WORLD

Plaza Accord reached Collapse of the Berlin Wall

WTO established

terrorist attacks in the US