

Review and Prospects of Internal and External Situations

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Upon the publication of the "Review and Prospects of Internal and External Situations" (2019 Edition)

Director-General Public Security Intelligence Agency

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Public Security Intelligence Agency (PSIA) summarizes in January of every year the various situations concerning the public security of the previous year in Japan and abroad and publishes it in the "Review and Prospects of Internal and External Situations." We hereby deliver the 2019 version.

PSIA, being in charge of ensuring the public security of Japan under the Subversive Activities Prevention Act and the Act on the Control of Organizations Which Have Committed Acts of Indiscriminate Mass Murder, has been carrying out the surveillance disposition properly and strictly against Aum Shinrikyo and additionally, as a core member of the intelligence community of our country, has been contributing to various policies of the government by collecting and analyzing the pieces of information about various trends in Japan and abroad that can affect the public security of our country, such as international terrorism, situations of neighboring countries and areas of Japan and moves of various domestic organizations and providing them to the relevant agencies of our government in a timely and an appropriate manner.

Looking at the various trends at home and abroad in 2018, in the scenes outside of Japan, we see serious and grave threats to the security of our country, such as the following: although the Korean Peninsula situation has stepped into the "direct dialogue" phase surrounding the "denuclearization," with the holding of the first ever US-North Korea summit meeting, the nuclear and missile threats of North Korea have not been eliminated yet, and also international terrorist attacks continue to occur around the world such as in European countries, the US and Asian countries. In addition, China is striving to cooperate with European countries and to improve its relations with neighboring countries and to enclose the developing countries, at the time when frictions with the US are expanding into multiple fronts, with their impacts on our country and relevant developments drawing our attention. Meanwhile, in Japan, Aum Shinrikyo has still been engaging in the systematic recruiting activities by retaining the dangerous inclination even after the executions of Chizuo Matsumoto, also known as Shoko Asahara, and others, and the radical leftist groups are striving for expansion of their organizational strength through varieties of activities; therefore, vigilance is still required. Furthermore, it has continuously been observed that cyberattacks aim at, among other things, stealing critical information, and it must be stated that the domestic and foreign situations surrounding our country are still severe.

Under these circumstances, Japan will host Rugby World Cup 2019 and G20 Osaka Summit in 2019, and the Fourteenth United Nations Congress on Crime Prevention and Criminal Justice (Kyoto Congress) and Tokyo Olympic and Paralympic Games in 2020. PSIA intends to contribute to safe holding of these major international events that attract the world attention by striving to strengthen the system of collecting and analyzing information for the prevention of terrorism and early grasp of suspicious moves.

With the diversification of threats to our country in recent years, the private-public cooperation is becoming more important in order to ensure the public security. PSIA will continue to make further efforts in disseminating information to the general public. I would like to take this opportunity to ask that readers make good use of this material, and also understand and support the work of PSIA.

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^{*} This "Review and Prospects of Internal and External Situations" (2019) reviews the internal and external public security trends of the year 2018 (as of November) and provides the prospects in the future. The months referenced in the text hereof indicate the months of 2018, unless otherwise specifically noted, and the titles of individuals used in the text hereof are those at the time referenced herein.

Feature Article 1

With the US and North Korea holding the first summit meeting in history, the Korean Peninsula scenes turned into the phase of "direct dialogue" over "denuclearization"

North Korea in recent years has repeated nuclear tests and firing of ballistic missiles, and has heightened the tension by professing the "consummation of nuclear force" after the success of the test-launch of "Hwasong-15," a new ICBM class ballistic missile, in the end of November 2017. However, entering into 2018, by a sudden turn, it

successively actualized the inter-Korean summit and the Sino-North Korea summit meetings, and further, the first-ever US-North Korea summit meeting, using the "denuclearization" card, and the situations on the Korean Peninsula turned into the phase of "direct dialogue" over denuclearization.

North Korea expressed interest in negotiation with the US through South Korea

As the Winter Olympic Game in Pyeongchang was held with the participation of the North Korean team (in February), North Korea conveyed to South Korea, through Kim Yong Chol, the Vice Chairman of the Workers' Party of Korea (WPK) who visited South Korea to attend the closing ceremony, its intention to have a dialogue with the US. In response to it, the South Korean President's Special Envoy Delegation visited North Korea and met the Party Chairman, Kim Jong Un. The South Korean President's Special Envoy Delegation announced that North Korea clearly expressed its intention to engage in denuclearization, that it was prepared to hold dialogue with the US about the denuclearization issue, and that

it would not restart such provocations as additional nuclear tests or test-launches of ballistic missiles, while the discussion continues. When South Korea conveyed it to the US, the US President Donald Trump immediately expressed his consent to have a meeting with Chairman Kim (in March), which set the course for the first-ever US-North Korea summit meeting. North Korea promoted its eagerness for the meeting to the US by announcing its decision to suspend the nuclear tests and test-launches of intercontinental ballistic missiles (ICBM) (in April), and by releasing the American citizens in its custody (in May).

The leaders of the US and North Korea reached a broad agreement on an "exchange" of denuclearization and security of the regime

The US-North Korea summit meeting was held on Sentosa Island of Singapore on June 12. At the meeting, while Chairman Kim expressed his intention to undertake a complete denuclearization of the Korean Peninsula, the US President Trump promised a guarantee of the security of North Korea's regime. Both leaders also agreed to tackle 4 subjects, beginning with the establishment of the new US-North Korean relationship, and signed the "US-North Korea Joint Statement" (Chart 1) that contained the

said agreement. Although Chairman Kim promised to engage in the "complete denuclearization," he did not spell out the details of the timeframe and the concrete contents of the denuclearization. Furthermore, the North Korea's news media that reported the substance of the meeting emphasized that the both leaders

shared the same understanding about the "compliance with the general principle of phased and simultaneous actions" in the process of denuclearization, suggesting that there was no change in the negotiation style of the Kim Jong II era that required a quid pro quo for each step of the phased concessions.

Chart 1: Agreed subjects in the "US-North Korean Joint Statement"

- The US and North Korea promised to establish a new US-North Korea relationship, as the people of both countries are anxious for peace and prosperity.
- The US and North Korea shall together strive to create a lasting and stable peace regime on the Korean Peninsula.
- North Korea promised to work toward the complete denuclearization of the Korean Peninsula by reaffirming the "Panmunjom Declaration" of April 27, 2018.
- The US and North Korea promised to collect the remains of prisoners of war and missing soldiers, including immediate repatriation of the remains of those who have already been identified.

Negotiation got stuck over denuclearization due to deep-rooted mutual distrust

The US Secretary of State Mike Pompeo visited North Korea to follow up with the "US-North Korea Joint Statement," and had a talk with Vice Chairman of the Party Kim Yong Chol. However, North Korea criticized after the meeting that, "while we proposed that the US and North Korea simultaneously take such steps as the announcement of the declaration of the end of the Korean War and the disposal of the test site of missile engines, the US side unilaterally demanded only the denuclearization" (in July). In these circumstances where the difference between the positions of the US and North Korea over denuclearization was becoming apparent, North Korea executed the return of the remains of American soldiers mentioned in the "US-North Korea Joint Statement" (in July). Also, when the US President Trump suspended Secretary of State Pompeo's visit to North Korea that had been scheduled for the latter part of August, North Korea sent Chairman Kim's letter to the US proposing to have the second US-North Korea summit meeting. Furthermore, North Korea tried to maintain the spirit of continued negotiation by such actions as expressing, in the inter-Korean summit held in Pyongyang, its readiness for taking additional steps to dispose of the missile launcher and engine test site at Tongchang-ri, and the permanent destruction of the nuclear facility in Nyonbyon (Yongbyon) in response to "corresponding steps" on the part of the US (in September). Consequently, Secretary of State Pompeo visited North Korea in October and met with Chairman Kim, and they agreed to hold the second US-North Korea summit meeting at an early date, and decided that Vice Chairman Kim Yong Chol and Secretary of State Pompeo would meet for a talk in New York; however, its adjournment was announced immediately thereafter (in November).

North Korea continued nuclear-related activities despite its announcement of engagement for "complete denuclearization"

In advance of the US-North Korea summit meeting in June, North Korea decide to suspend its nuclear test and test-launch of ICBM (in April), and opened to the foreign media the bombing of the tunnel of the nuclear testing site in Punggyeri (in May), and emphasized that these measures were the manifestation of its firm intention for the "complete denuclearization." However, North Korea did not permit outside experts to witness the abovementioned bombing of the tunnel. Also, the US has

pointed out the existence of an undisclosed uranium enrichment facility near Pyongyang, as well as the possibility that manufacturing of ICBMs at the missile production facilities is continuing (Chart 2). Moreover, the International Atomic Energy Agency (IAEA) has expressed a "grave concern," stating that North Korea was operating its nuclear-related facilities in Nyonbyon even after it promised the engagement of "complete denuclearization" (in September).

Chart 2: News reports regarding North Korea's nuclear-related activities, etc.

"Regarding the uranium enrichment plant that North Korea claimed not to exist other than Nyonbyon, there is suspicion that a second secret plant is under operation with the name of 'Kangsong.'"

(David Albright, Director of the Institute of Science and International Security [ISIS], On the Question of Another North Korean Centrifuge Plant and the Suspect Kangsong Plant, May 25, ISIS Web site)

"'Kangsong' is a secret uranium enrichment plant located in Chollima on the outskirts of Pyongyang and possibly has been operated since around 2003."

("Diplomat" Electronic edition, dated July 13)

"There is a sign that North Korea is manufacturing at least one ICBM that uses liquid fuel at the 'Sanumdong Missile Research Facility Complex,' a large weapons plant on the outskirts of Pyongyang."

("Washington Post," dated July 30)

North Korea took advantage of China and Russia as its backers in the process of negotiation with the US

Although the China-North Korean relations had been cooled due to North Korea's successive nuclear tests and launches of ballistic missiles, once the prospect of holding the US-North Korea summit meeting came into view, Chairman Kim chose China as the first country to visit (visited China during March 25-28), and further visited China in May and June to talk with China's President Xi Jinping, and received his support for North Korea's position and policy in the negotiation between

the US and North Korea. He also showed off its mended relationship with China by such acts as going to Singapore by a Chinese airplane for the US-North Korea summit meeting in June, and inviting President Xi to North Korea for the occasion of the 70th anniversary of establishment of North Korean government in September (in reality, Li Zhanshu, the Chairman of the Standing Committee of the National People's Congress, visited as President Xi's Special Representative). Note that, in the celebratory

military parade conducted for the occasion of the 70th anniversary of establishment of the government, North Korea did not bring out any ballistic missiles, suggesting their consideration for the relationship with the US.

In relation with Russia, Chairman Kim met with Sergey Lavrov, Russia's Foreign Minister who visited North Korea (in May), and Valentina Matviyenko, Speaker of the Upper House of Russia's Parliament who also visited there (in September), respectively. North Korea promoted in and out of the nation that the Russian side in these meetings "expressed its thorough support for the resolution and the position of the DPRK (North Korea) toward the realization of denuclearization."

Furthermore, North Korea held a 3-party talks at the level of vice minister of foreign affairs with China and Russia by sending Choe Son Hui, the Vice Minister of Foreign Affairs, to Moscow. The three countries of China, Russia and North Korea announced a joint press statement stating that they concurred that the promotion of the process for denuclearization should be accompanied by corresponding steps by relevant nations, as well as the necessity for functioning of an adjustment process for the sanctions imposed against North Korea by the UN Security Council, thereby promoting the coordination of the three countries (in October).

China and Russia showed their intention to actively get involved in the issue of North Korea, while welcoming the holding of the US-North Korean summit meeting. They also demonstrated the collaborative posture by, on the one hand, acknowledging the actions taken by North Korea for denuclearization, and on the other hand criticizing the US for not taking corresponding actions, and emphasizing the need to begin a reconsideration by the UN Security Council of its sanctions against North Korea.

China promoted its own influence over North Korea through successive top-level meetings. In response to it, the US President Trump made an accusation, saying, "China is suspected of interfering with the North Korea issue for the reason of the US-China trade friction," and it forced China to keep difficult control over its diplomacy with North Korea in need of minimizing the impact on the US-China relation.

Russia promoted its own influence over North Korea, developing its independent diplomacy with such moves as the development of accelerated exchange visits of officials with North Korea, and the holding of a meeting to discuss economic cooperation among the three parties of Russia, North Korea and South Korea at the "4th Eastern Economic Forum" (in September, Vladivostok).

North Korea likely to continue its attempt at drawing further concessions from the US in anticipation of a deal with the Trump administration

North Korea is thought to have considered the Trump administration, that accepted a summit meeting for the first time among the successive US administrations, as the best chance to improve the US-North Korea relationship and to maintain the Kim Jong Un regime, and North Korea is assessed to continue the bargaining by way of phased concessions in order to obtain the maximum "quid pro quo" from the US. However, in the event the negotiation begins to have a rough passage, North Korea is believed to

disturb the US by indicating a gesture of returning to a hard line course, using the trends of the US, among other things, as a pretext, and hinting at its limited military provocations.

In addition, North Korea is assessed to scheme for drawing concessions from the US such as a mitigation of sanctions, with such measures as the coordination with China and Russia and the preceding steps with South Korea on economic cooperation and alleviation of military tensions.

Feature Article 2

For the safe hosting of major international events



Terrorist attacks, cyber-attacks and illicit incidents by anti-globalization force occurred in the past events

In Japan, Tokyo Olympic and Paralympic Games will be held from July to September of 2020, and before that event, G20 Osaka Summit (June 2019), Rugby World Cup 2019 in Japan (from September to November 2019), 14th UN Commission on Crime Prevention and Criminal Justice Convention (April 2020) are scheduled to be held. In the major events in the past that drew international attention, unlawful incidents such as terrorist attacks and cyber-attacks have occurred, and that requires vigilance.

Leading major international events to be held in Japan				
G20 Osaka Summit and relevant ministerial meetings	May to November 2019	Hokkaido, Niigata, Ibaraki, Nagano, Aichi, Osaka, Okayama, Ehime, Fukuoka		
Rugby World Cup 2019 in Japan	September to November , 2019	Hokkaido, Iwate, Saitama, Tokyo, Kanagawa, Shizuoka, Aichi, Osaka, Hyogo, Fukuoka, Kumamoto, Oita		
14 th UN Commission on Crime Prevention and Criminal Justice Convention	April 2020	Kyoto		
Tokyo Olympic and Paralympic Games	July to September 2020	Hokkaido, Miyagi, Fukushima, Ibaraki, Saitama, Chiba, Tokyo, Kanagawa, Shizuoka		

Terrorism aiming at soft targets is a matter of concern, as such terrorism occurred in major international events in foreign countries

In major international events held in foreign countries, multiple cases of terrorism occurred with heavy casualties, such as the terrorism case of the simultaneous bombings in subways and buses in the capital city of London, occurred at the time of the Gleneagles Summit in the UK in July 2005, the terrorism case of the bombing at the Boston Marathon, occurred in the US in April 2013, as well as the serial terrorist attacks in Paris and its suburbs in November 2015, in which suicide bombings occurred one after another near the stadium where international friendship soccer matches were being played.

Also, terrorist plots targeting Rio de Janeiro Olympic Game (in August 2016) and FIFA World

Cup in Russia (in June–July) were exposed.

Terrorism against major international events can be a perfect publicity occasion for international terrorist organizations. Especially, the "Islamic State in Iraq and the Levant" (ISIL) names our country as a target of terrorism, and also is calling for terrorism targeting blind spots in the guard in the occasions of major events. Therefore, vigilance is required against terrorism, not only at the sites of the events, but in a wider range of areas with a focus on urban areas where numerous so-called soft targets exist, in which many general citizens will congregate, such as tourist spots, public transportation systems and event sites.

Major terrorist attacks and terrorist plots in major international events held in foreign countries				
Attacks / Plots	Country	Date	Summary of Incident	
	United Kingdom	July 2005	[UK: Gleneagles Summit] In the capital of London, terrorist attacks occurred with simultaneous bombings in subways and buses, in which 52 citizens were killed and about 700 people were injured, including 1 Japanese.	
Terrrorist attacks	United States	April 2013	[US: Boston Marathon] In Boston in the eastern region of the US, a terrorist bomb attack targeting Boston Marathon occurred, in which 3 citizens were killed and about 300 people were injured.	
	France	November 2015	[International Friendship Soccer Game of France v. Germany] Near the game site in the suburb of the capital of Paris, successive suicide bomb attacks occurred, killing a citizen.	
	Brazil	July 2016	[Rio de Janeiro Olympic Game] (held in August 2016) A terrorist plot by 14 Brazilian nationals during the period of the Games was exposed (announced by the Minister of Justice of Brazil).	
Terrorist plots	Saudi Arabia	October 2016	【FIFA World Cup in Russia, Asia final qualifier, Saudi Arabia v. United Arab Emirates(UAE)】 (held in October 2016) A terrorist car-bomb plot targeting the site of the game of Saudi Arabia v. UAE to be held in Jeddah in the western region of Saudi Arabia was exposed (announced by press secretary of the Ministry of the Interior of Saudi Arabia).	
	France	November 2016	[UEFA European Championship (Euro 2016)] (held in June-July 2016) In Strasbourg in the eastern region of France and Marseille in the southern region, terrorist plots against Euro 2016, etc. were exposed (announced by the Minister of the Interior of France).	
	Russia	April	【FIFA World Cup in Russia】 (held in June-July) 12 terrorist plots, including the attack against FIFA World Cup in Russia were exposed (announced by the Director of the Federal Security Service of Russia).	

^{*} Terrorist plots are noted by the dates of announcements.

Further attention is required for cyber-attacks on major international events

Major international events are always exposed to the threat of cyber-attacks. In the London Olympics the UK in July 2012, a cyber-attack was plotted targeting the supply system of electricity, creating the possibility that the lighting for the Opening Ceremony would be entirely shut down. Also, in the Pyeongchang Winter Olympics Game in South Korea in February, a disruption of network caused

by cyber-attacks occurred at the time of the Opening Ceremony, creating the problems such as the connection troubles of WiFi within the event site and the inability to print tickets.

As for the entities of conducting cyber-attacks targeting international events, it used to be said that non-governmental body, such as hacktivists (individuals and organizations that conduct cyberattacks for the purpose of social and political claims) and criminals who take delight in people's reaction to their crimes were behind the attacks; however, cyberattacks that were suspected of having the involvement of nations also took place, such as the case where the medical information of the athletes of each country relating to the Rio de Janeiro Olympics were stolen from the database of the World Anti-Doping Agency (WADA) (in September 2016).

Also, regarding the modus operandi of attacks, it used to be primarily by obstructing the normal function by sending a large volume of data to a website, or by rewriting the files by inserting unlawful code in part of websites having vulnerabilities; however, in recent years, the sophistication of

techniques is advancing, such as the target-oriented attacks that cause the infection with malware to enable remote control and stealing of information.

Furthermore, in the upcoming major international events to be held hereafter, wherein the introduction of newest technology, such as IoT (Internet of things) and AI, is expected, new threats should be anticipated, such as the cyber-attack that triggers malfunctioning by sending to networks huge volumes of data far beyond the assumption held so far by using a large quantity of IoT equipment that are infected with malware, or hacking of automatic operating system. Precaution is requited in particular against cyberattacks to important infrastructures that threaten the safe opening of major international events.

Major cases in the past of cyber-attacks in major international events				
International events	Major incidents	Primary perpetrators		
London Olympics (July-August 2012, UK)	Two hundred million times of cyber-attacks were made against the official site. Cyber-attacks targeting electricity supply system were plotted.	Non-governmental entities including Anonymous		
G20 Saint Petersburg Summit (September 2013, Russia)	Cyber-attacks occurred that seemed to have plots to steal information relating to G20.	Governmental involvement was pointed out.		
Sochi Winter Olympics (February 2014, Russia)	About one hundred thousand times of cyberattacks occurred against the organizing committee.	Non-governmental entities including Anonymous		
Rio de Janeiro Olympics and Paralympics (August-September 2016, Brazil)	About twenty million times of cyber-attacks were made against the official site. Medical information of participating athletes of Rio de Janeiro Olympics were stolen from the database of WADA.	Non-governmental entities including Anonymous, and also in the attacks against WADA, governmental involvement was pointed out.		
Pyeongchang Winter Olympics (February, South Korea)	Disruption of network caused by cyber- attacks occurred at the Opening Ceremony. About 5.5 million times of cyber-attacks occurred during the period of the Games.	Governmental involvement was pointed out regarding the cyberattacks at the Opening Ceremony.		
FIFA World Cup in Russia (June-July)	About 25 million times of cyber-attacks occurred.	Unknown		

As terrorist attacks and guerrilla incidents occurred so far even domestically, occurrence of illicit incidents is feared

Observing the domestic situation, radical leftist factions have caused many terrorist attacks and guerrilla incidents in the past against the hosting of summits in Japan.

At the Ise-Shima G7 Summit (in May 2016, Mie Prefecture), radical leftist factions and the antiglobalists led by radicals leftists conducted opposition actions such as rallies and demonstrations facing the summit meetings and relevant ministerial meetings. Aside from it, some right-wing groups

and right-wing affiliated groups deemed the summit wherein leaders of major countries would come to Japan as the good opportunity to appeal themselves, and performed campaigns on streets advocating "Anti-US." In regard to major international events within Japan, radical leftist groups and right-wing groups and right-wing affiliated groups are showing the posture to plan to appeal their own ideologies and positions, and it is feared that they would trigger disturbance and illicit incidents in these events.

Public Security Intelligence Agency contributes to safe opening of major international events by the "power of intelligence"

Public Security Intelligence Agency has been engaging in reinforcement of collection and analysis of relevant information to facilitate the early detection and prevention of terrorist attacks, cyber-attacks, illicit incidents and interference activities, among others, that would be the threats and concerns in major international events, by setting up the "Special Intelligence Task Force for the Tokyo Olympic and Paralympic Games" (established on September 18, 2013) and the "Special Intelligence Task Force for the G20 Osaka Summit" (established on April 10), among others, to develop its investigation system.

In addition, the Agency is working to reinforce its relations with relevant authorities in anticipation of Tokyo Olympic and Paralympic Games and other events by dispatching its staff to the sites of Rio de Janeiro Olympics, Pyeongchang Winter Olympics, and FIFA World Cup in Russia, to conduct information exchange with relevant authorities, and by undertaking the measures to ensure security of the Japanese nationals who visit these major international events by publicizing its terrorism-related information on its home page.

Public Security Intelligence Agency will continue to commit itself with full effort to contribute to safe holding of these major international events by engaging in strengthening of collection and analysis of information and by providing the information adequately and in timely manner to the Prime Minister's Office and relevant government offices, among others.



North Korea and the General Association of Korean Residents in Japan (Chongryon)

North Korea tackles improvement of the inter-Korean relations aiming to obtain economic benefits from South Korea

The South-North summit meeting was held for the first time in about 11 years

North Korea announced in the "New Year's Address" of Party Chairman Kim Jong Un (January 1) that it was prepared to participate in the Winter Olympic Game in Pyeongchang, and dispatched Kim Yo Jong, the First Deputy Director of the Party Central Committee and the sister of Chairman Kim, to South Korea as a special envoy to request President Moon Jae-In's visit to North Korea (in February). Chairman Kim met with the Special Envoy Delegation sent to North Korea by President Moon upon receipt of the request, and agreed to have the inter-Korean summit meeting, which would become the third meeting, for the first time in about 11 years since October 2007 (in March).

The inter-Korean summit meeting was held on April 27 at the "Peace House," the South Koreanside facility in the Joint Security Area of Panmunjom. Chairman Kim and President Moon reconfirmed the "October 4 Declaration" agreed at the inter-Korean summit meeting in 2007, and also signed the "Panmunjom Declaration" which contains such matters as the economic cooperation projects between South and North, and engagement in easing of military tension. Thereafter, the both leaders met again on May 26 at Panmunjom to discuss the upcoming US-North Korean summit meeting, and President Moon visited North Korea to have a summit meeting between September 18 and 20, and signed the "Pyongyang Joint Declaration of September" which included such matters as the holding within the year of the ground-breaking ceremony of the construction for connecting the railways and roads between South and North, conditional reopening of the Kaesong Industrial Region and the Mount Kumgang tourism project, and establishment of the Joint Military Committee. Also at the meeting, the defense ministers of South and North signed the agreement in the military sector for suspension of hostile operations near the military demarcation line. In addition, Chairman Kim agreed at the meeting to visit Seoul within the year.

Summary of the "Panmunjom Declaration" and "Pyongyang Joint Declaration of September"

	Panmunjom Declaration (April 27)	Pyongyang Joint Declaration of September (September 19)
Improvement of inter-Korean relations	Establishment of Joint Liaison Office (Kaesong)Promotion of economic cooperation projectsEnhancement of interchange in humanity and sports, etc.	Holding of ground-breaking ceremony for connecting the railways and roads within the year(as conditions ripe) Reopening of Kaesong Industrial Region and Mount Kumgang tourism projectEnhancement of interchange in humanity and sports, etc.
Easing of military tension	Ceasing of all hostile actsTurning the Northern Limit Line (NLL) area to a peace zone	Separate agreement in military sectorEarly establishment of the Joint Military Committee
Peace regime & Nuclear issues	Ending of the Korean War by the end of the yearConfirming the goal of complete denuclearization of the Korean Peninsula	North Korea to dismantle the Tongchang-ri engine test siteNorth Korea expressed its readiness to dismantle nuclear facilities in Nyonbyon (Yongbyon)
Summit exchanges	President Moon to visit Pyongyang in the fall	Chairman Kim to visit Seoul at an early date

Efforts for inter-Korean economic cooperation and easing of military tension

Since the inter-Korean summit meeting in April, North Korea activated the exchange in the areas of sports and humanity with South Korea by doing such things as jointly participating in the 18th Asian Games (in August-September, Indonesia), and reopening of activities for reunion of separated families for the first time in about 3 years since October of 2015.

Also, with respect to the economic cooperation, North Korea went along with joint inspection of the inter-Korean railroad connection section (in July) and the investigation of disease and insect pest damages in the Mount Kumgang area (in August). Further, it held a senior official-level meeting with South Korea in October and agreed on joint survey of the section of North Korean side for the connection of railways and roads and holding of the ground-breaking ceremony of the connection work by early December.

In addition, on military matters, it took such steps as beginning to remove landmines in Panmunjom and Cheorwon, Gangwon Province near the Military Demarcation Line (in October), and designating the no-fly-zone over the Military Demarcation Line (in November).

North Korea is likely to actively engaging in the North-South dialogue and exchange in expectation of obtaining economic benefits

As the sanctions by the international community are maintained, North Korea is expected to intensify its approach to South Korea by attempting to make the inter-Korean economic cooperation an existing fact through active involvement in the continued

dialogues and undertakings in the economic cooperation with South Korea, with an eye on obtaining economic benefits, and also by expecting the role as the go-between in the negotiation with the United States.

COLUMN 1

South Korea's concept of the South-North economic cooperation "New Economic Map of the Korean Peninsula"

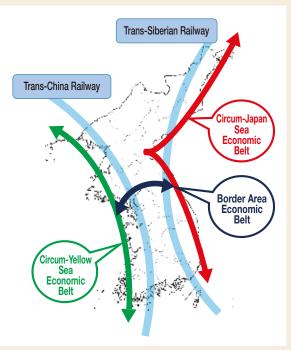
On his inauguration, President Moon Jae-In of South Korea presented his idea of the economic cooperation called "New Economic Map of the Korean Peninsula" as the pillar of his own North Korea policy.

The purpose of the "New Economic Map of the Korean Peninsula" is to create the inter-Korean economic community by advancing the economic interchange with North Korea based on the following 3 major economic belts: "Circum-Yellow Sea" (traffic-distribution-industry belt, connecting from Seoul, South Korea, to Kaesong Industrial Region, Pyongyang, Nampo, Sinuiju of North Korea); "Border Area" (tourism belt centered upon Mount Kumgang, and environment belt for protection of the ecological system along the Military Demarcation Line); and "Circum-Japan Sea" (energy-resources belt connecting from the east coast of South Korea to North Korea's Mt. Kumgang, Wonsan, Chongjin and Rason to Russia).

The axis of the plan is the railroad, and the vision is to draw a new economic map on the Korean Peninsula wherein the South Korea's economic zone will be linked to North Korea and further to Asia and Europe by connecting the railroads that are separated between North and South, and further by connecting to the Trans-Siberian Railway and the Trans-China Railway.

Accessing to the continental economic zone by railroad has been the common goal of the successive South Korea's administrations since President Kim Dae-Jung who advocated the "Iron Silk Road"

initiative (2002) that would connect the inter-Korean railroad to Eurasian railroad network, and North Korea also is expecting the economic benefits derived from becoming the connection point of South Korea's and continental railroads.



Three major economic belts of the "New Economic Map of the Korean Peninsula" (conceptual diagram)

COLUMN 2

Development concerning the improvement of the China-North Korea relations

The China-North Korea relations that had been deteriorated over the nuclear and missile issues, etc. have shown signs of improvement spurred by the development of improved relations between Northand South Korea, and the US and North Korea, such as North Korea's participation in the Winter Olympic Games in Pyeongchang (in February) and the US President Donald Trump's consent to holding the US-North Korea summit meeting (in March). Also, there seems to be an advancement of the "strategic communication" to share the understanding of important policies, as seen in the holding of the China-North Korea summit meeting immediately following the inter-Korean summit meeting and the US-North Korea summit meeting. Furthermore, China indicated its intention to uphold and support North Korea's transition to the policy to emphasize economic construction, as seen in allowing the North Korea's delegation visiting China to inspect the Chinese Academy of Agricultural Science (in May), and in the comment (in August, Minister of Foreign Affairs Wang Yi), saying, "we want to provide as much support as we can for the development of North Korea's economy and its public welfare."

Exchange of important politicians between China and North Korea and related moves

March	US President Donald Trump agreed to hold the US-North Korea summit meeting (8 th)		
	(1 st) China-North Korean summit meeting (26 th)		
April	Song Tao, Director of International Liaison Dept. of the Communist Party of China visited North Korea (13 th)		
	(1 st) North-South summit meeting (27 th)		
	Wang Yi, Minister of Foreign Affairs, visited North Korea (2 nd)		
May	(2 nd) China-North Korea summit meeting (7 th , 8 th)		
	(2 nd) North-South summit meeting (26 th)		
June	US-North Korea summit meeting (12th)		
June	(3 rd) China-North Korea summit meeting (19 th , 20 th)		
July	Gong Hyeon-U, Vice Minister of Foreign Affairs, visited North Korea (25 th)		
	Wang Yang, Chairman of the Political Consultative Conference, attended the commemorative event of North Korea's founding (6th)		
Sept.	Wang Qishan, Vice President of China, attended the commemorative event of North Korea's founding (7 th)		
	Li Zhanshu, Chairman of the Standing Committee of the National People's Congress, visited North Korea (8 th)		
	(3 rd) North-South summit meeting (18 th , 19 th)		
Oct.	3-party conference at the level of Vice Minister of Foreign Affairs of China, Russia and North Korea (9th)		

1-2

North Korea takes pains over dealing with the sanctions, while pushing on toward the construction of "Socialist Strong State" under the new economy-centered line

Choosing the economy-centered line in lieu of "parallel implementation"

While moving forward on dialogues with South Korea and the United States, North Korea decided, in the third Plenary Meeting of the 7th term Central Committee of the Workers' Party of Korea (in April), to adopt the new line of "focusing on the construction of socialist economy with all-out efforts," after claiming in the "consummation of nuclear force" declaration in November 2017 that it has completed the "parallel progression of the construction of economy and the construction of nuclear force." Also, at the first Expanded Meeting of the Party's 7th term Central Military Commission (reported in

the "Rodong Shinmun," dated May 18), Chairman Kim Jong Un emphasized to the military leaders to push through the decision of the Central Committee's Plenary Meeting in April, and carried out unusual personnel reshuffle by simultaneously changing the Chief of the General Political Bureau of the Army, the Chief of the General Staff Office, and the Minister of People's Armed Force, which suggested that he demanded the change in awareness of the military to go along with the transition to the economy-centered line.

Reinforcement of ideological tightening, while calling for intensified engagement in the construction of economy

After the presentation of the new line, North Korea promoted in and out of the nation its posture to strive for the construction of economy by such actions as the campaign to increase production (in August) to achieve the goal of the "National 5-year Strategy for Economic Development" presented in the 7th Korean Workers Party Congress (in May 2016), and calling for the "Great March of Economy Construction" at the military parade to commemorate the 70th anniversary of the establishment of the government (in September). Also, Chairman Kim impressed his position to spearhead the construction of economy in such a way as to visit regional economic sectors near the border with China, etc. for inspection and got furious about negligence of the executives, and to demonstrate his posture to devotedly provide

guidance in a drenching rain without using an umbrella.

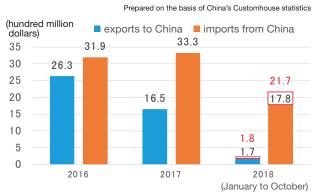
However, during continuing sanctions of the international community, as for the concrete measures for the economic construction, it went no further than appealing the prior slogans of "Self-reliance" without dependence on the outside, and "focus on scientific technology." Also, while moving forward on the improvement of relations with South Korea and the US, it reportedly attempted internal tightening by, among others, enforcing a crackdown on the "antisocialist acts" of watching South Korean dramas and the like, and admonishing against the declining wariness about the United States and denying people's expectation of the possibility of 'reform and opening up' at the occasions of studying thought.

Facing the continued sanctions, North Korea strived for the procurement of materials and foreign currency by way of smuggling, such as the a"ship-to-ship cargo transfers"

Due to a series of United Nations resolutions adopted in 2017, North Korea suffered from significant restrictions in trading and worker dispatch, and the trading with China, its biggest trading partner, has been drastically cut down, as seen in the reduction by 54.7% during the January-October period compared to the same period of the previous year. Also, the Wonsan-Kalma Beach Sightseeing District is where Chairman Kim considered to be a major project, and originally aimed for its completion by the 70th anniversary of the establishment of the government in September; however, the completion was postponed twice to April 2019 and again to October 2019. It is assessed that a cause of this problem was the difficulty in procuring the materials from the outside due to the sanctions.

Under these circumstances, tankers belonging to North Korea were reported repeatedly to have engaged in placing its ship alongside another ship and transship the cargo such as petroleum products, the practice suspected to be so-called "ship-toship cargo transfers," on the ocean such as the East China Sea, and after the China-North Korea summit meeting (in March), in anticipation of the improved relations with China, the moves were reported such as activation of smuggling of farm and marine products, textile products, machinery, vehicles, etc. that were articles under an embargo, or resuming of worker dispatching.

Transition in the amount of trading by Import and Export of China and North Korea



※ Red line shows the estimated amount when the percentage change compared to the same period of January to October of previous year continues for one year.

Pursuing the promotion of the result of new line, while trying to make the sanctions lose substance

North Korea is assessed to keep working to procure materials and obtain foreign currency from the outside by evading surveillance network of the international community through further sophistication of the technique of smuggling such as the "ship-to-ship cargo transfers." Under the circumstances, it is anticipated that North Korea would focus on

demonstrating the result of the economy-centered line, and especially would engage in the arrangement of the Wonsan-Kalma Beach Sightseeing District that it expects as the core business of the promotion of tourism and would thereby appeal them as the symbolic results of the new line.

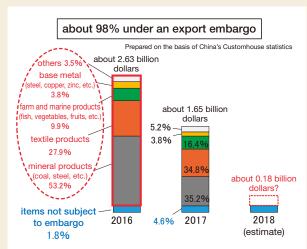
COLUMN

Impact of the UN sanctions

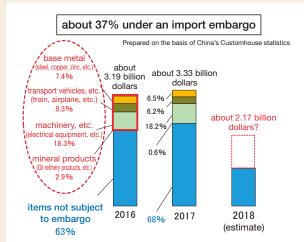
By a series of resolutions adopted by the United Nations Security Council in 2017(#2356, #2371, #2375, and #2397), in the trading between North Korea and China, about 98% of the items became

subjected to an embargo (37% of import items were subject to an embargo), and North Korea thereby lost the opportunity to obtain foreign currency of about 2.58 billion dollars.

Ratio of items under export ban



Ratio of items under import ban



* The 2018 figure is the estimated amount when the percentage change compared to the same period of January to October (the blue part) of previous year continues for one year.

As consequences of these sanctions, in North Korea, stagnation of operations in factories and trading-related departments pertaining to articles subjected to sanctions, and postponement of the completion of Wonsan-Kalma Beach Sightseeing District (ref. page 19) have been reported. Meanwhile, no significant confusion has been seen in the citizens' daily life. The prices of gasoline and light oil temporarily rose since around April 2017; however, they later took a downturn, and no major change has been seen in the price of rice and corn in the market and the exchange rate, and no shortage of merchandise has been reported as well. Behind this situation presumably lay the facts that North Korea in

recent years has been working on import substitution and promoting domestic production of consumer products, as well as on procurement of articles subjected to sanctions and obtaining of foreign currency by smuggling such as the "ship-to-ship cargo transfers."

However, if the current sanctions continue in the future, there is a possibility that worsening shortage of foreign currency, fuels and materials, and the difficulty in procuring maintenance parts of machinery and vehicles, etc. would cause disruptions in production and distribution, and the economy would fall into the phase of stagnation.

North Korea, while tackling with improvement of relations with South Korea and the US, failed to face relations with Japan

With repeated assertion that "the abduction problem has been resolved," it demanded Japan to shift its policy toward North Korea

With the year 2018 rolling in, while North Korea began to work on improving the relations with South Korea and the United States and agreed to hold inter-Korean and the US-North Korea summit meetings one after another, it issued a warning to Japan, through its media, that "if Japan continues its

policy of hostility toward the DPRK, it will become forever unable to cross the threshold of Pyongyang," (in March 27, "Pyongyang Broadcasting Station") to demand Japan to shift its policy toward North Korea, and as for the issue of abduction of Japanese, it repeated the assertion that "it has been resolved."

In this climate, Kim Yong Nam, the President of the Presidium of the Supreme People's Assembly of North Korea, and Prime Minister of Japan Shinzo Abe came into contact with each other at the Opening Reception of the Pyeongchang Winter Olympic Game(in February), and Minister of Foreign Affairs Ri Yong Ho and Japan's Minister of Foreign Affairs Taro Kono met at the reception party of ASEAN Regional Forum (in August), and in September, foreign ministers' meeting of Japan and North Korea was held for the first time in about three years at the UN Headquarters in New York, although no change was seen in the posture of North Korea toward Japan thereafter.

Meanwhile, Chairman Kim Jong Un did not express the "it's been resolved" stance regarding the issue of abduction of Japanese at the US-North Korea summit meeting in June, and at the inter-Korean summit meeting in September, he reportedly stated that "North Korea is prepared to seek better relations by talking with Japan at an appropriate time," while North Korea's media agencies also refrained from making the "it's been resolved" assertion since mid-August to hint at the betterment of relations with Japan. However, after the start of the Fourth Abe reshuffled administration, it made the "it's been resolved" assertion again to keep a check on Japan.

North Korea is likely to grope for a way to begin on the relations with Japan, with an eye on the progress of the US-North Korea negotiation

North Korea is expected to work on the negotiation with the United States as the first priority for now, but is considered to grope for the time most advantageous to itself to begin to face the relations with Japan, with anticipation of economic cooperation after the

advancement of the US-North Korea relations and by keeping an eye on the progress of the US-North Korea negotiation, as well as the political situation and the trend of public opinions about North Korea within Japan.

COLUMN

The problem of post-war process toward North Korea

North Korea has demanded "apology and compensation" from Japan, the so-called "settlement of the past," for the human loss, property damage and mental sufferings cause by the past colonial rule. In 2018, it unusually developed the "settlement of the past" demands actively through its news media while the negotiation between Japan and North Korea had died out, suggesting its interest in receiving a largescale economic assistance from Japan.

With regard to the post-war process toward North Korea, it was determined in the Japan-North Korea Pyongyang Declaration of September 2002 that, after the normalization of diplomatic relations, Japan would provide economic cooperation through such ways as gratis fund aid, granting of low-interest long-term loans, humanitarian support through United Nations, etc., and as for the normalization of diplomatic relations, an agreement was made to the effect that the parties would engage in a detailed discussion during the negotiation of the normalization of diplomatic relations between Japan and North Korea, under the basic principle that all of the property

rights and the rights to claim of both countries and their citizens based on matters that occurred before August 15, 1945, shall be mutually waived. However, actions have been suspended thereafter to this date, since the 12th plenary meeting of the negotiation of the normalization of diplomatic relations between Japan and North Korea in October 2002 as the last meeting.

In these circumstances, North Korea claimed, in the comment of the Press Secretary of the Ministry of Foreign Affairs published at the first anniversary of the Japan-North Korea Pyongyang Declaration in September 2003, that the "apology and compensation" at the government level were not enough, and expressed its position for the first time to separately require personal compensations to the victims and their surviving families regarding the "problem of serious human rights violations such as forced separation from family and comfort women," and there is a possibility that North Korea would hereafter seize the opportunity and bring it up as the point in dispute.

1-4

The General Association of Korean Residents in Japan (Chongryon) intends to revitalize its organization against a backdrop of the change in the Korean Peninsula situation, with continuation of the regime headed by Chairman Ho Jong Man

Chongryon's 24th Congress determined the continued chairmanship of Ho Jong Man and called for reinforced activities emphasizing a "change" in the Korean Peninsula situation

As the year 2018 was the year when the Congress of Chongryon, the supreme decision-making body of Chongryon, was to be held every 4 years, Chongryon took the opportunity to emphasize it as the "Year of Major Advance" to develop the Korean residents movement in Japan to a step higher level, and held its activists' meetings and branch chairpersons' meetings from the beginning of the year (in January), and from February, it started working on reinforcement of ideology and organization and revitalization of activities at the branches and local chapters under the slogan, "Breakthrough Warfare." After having heightened momentum for the Congress and raised moral of activists, Chongryon decided to hold the 24th Congress in May at the 5th meeting of the 23rd term Central Committee (in March).

The 24th Congress of Chongryon was held on 26th and 27th of May at Tokyo Korean Culture Hall (Kita Ward, Tokyo). Chongryon decided that Ho Jong Man, of advanced age at his 80s, to remain as the Chairman, and organized the 24th term leadership structure composed of 5 Vice Chairmen including Nam Sung U. The post of the Responsible Vice Chairman, which is the post right below the Chairmanship, has been left vacant since Ho Jong Man, Responsible Vice Chairman (then), was elected Chairman in 2012, and the post of the Responsible Vice Chairman was not filled again in the Congress.

Chairman Ho emphasized in the report at the Congress that the "change" in the Korean Peninsula situation, such as the implementation of the interKorean summit meetings and China-North Korea summit meetings, as well as the agreement to hold the first-ever US-North Korea summit meeting, were brought by Chairman Kim Jong Un, that created a new turning-point for prosperity not seen before, and asserted that the "general direction of the activities of the 24th term of Chongryon" was to "further enforce in terms of its organizational strength and ideology, and to accelerate the patriotic march in order to advance the new heyday of the movement of the Korean residents in Japan". Chairman Ho held a regional chairmen's meeting and a branch chairmen's meeting (in July), and gave instructions for the enhancement of their activities by emphasizing again the "change" in the Korean Peninsula situation.

Leadership structure of Chongryon's 24th term Congress

Post	Name
Chairman	Ho Jong Man
Vice Chair	Nam Sung U
Vice Chair (and concurrently Secretary-General)	Pe Jin Gu
Vice Chair	Cho I Ryon
Vice Chair	Pak Ku Ho
Vice Chair	Kan Chu Ryon

Holding up Chairman Kim JongUn's instruction for "acceleration" of activities, Chongryon engaged in the celebration of the 70th anniversary of establishment of the government of North Korea

Having received the instruction of the "accelerating the patriotic march" in the celebration message addressed to the 24th Congress of Chongryon by Chairman Kim, Chongryon, at its regional chairpersons' meeting called by Chairman Ho in July, promoted its "accomplishment" of the task presented in the celebration message, and for the purpose of making the 70th anniversary of establishment of the government of North Korea (in September) shine with the "high political zeal and results of the activities," designated the period until September as the period of intensive activity period called the "Reform Movement," and directed the entire organization to participate in said Movement. Following this direction, each regional organization engaged in the activities to study and publicize Chairman Kim's

"greatness" during this "Reform Movement" period.

Also, Chongryon, for the occasion of the 70th anniversary of establishment of the government of North Korea, held celebratory events such as a "celebration party" and "central conference," and also dispatched 6 delegations to North Korea, beginning with the "celebration delegation of Korean residents in Japan" headed by Pu Yong Uk, Chairman of Chongryon's Osaka Headquarters. The North Korean side responded to this by, among others, sending to the central conference a celebratory message in the name of "Chairman of the State Affairs Commission Kim Jong Un," and by having Pu Yong Uk, the leader of the delegation, seated at the tiered platform at a celebration event held in Pyongyang.

Chongryon called for implementation of the "Panmunjom Declaration" in and out of the organization

Chongryon expressed its support of the "Panmunjom Declaration" signed by the leaders of the North and the South in a letter sent to Chairman Kim upon seeing the inter-Korean summit meeting (in April), and at the 24th Congress of Chongryon (in May), it presented the contribution to realization of the "Panmunjom Declaration" as the task of their activities, and appealed to the Korean Residents Union in Japan (Mindan) for cooperation for "solidarity of the compatriot society and unification of the homeland." Also, as the inter-Korean summit meeting was held and the North-South interactions developed, it made efforts to revitalize the interactions by holding memorial events such as exchange meetings and lecture meetings in various regions and by calling out for broad participation to both South

and North Koreans residing in Japan in and out of Chongryon. Under these circumstances, the leader of Mindan, in his speech made on the Liberation Anniversary (on 15 August), urged Chongryon, regarding the issues of nuclear, missiles and abduction of Japanese citizens, to "act in such a way to get the understanding of the society of the fellow Koreans in Japan and the Japanese society"; however, in response to this, Chongryon, having stated that "all compatriots aspire after racial reconciliation and cooperation, peace and prosperity," issued a statement of appeal in the name of Chongryon's International Unification Bureau, stating, "we expect the central leaders of Mindan to walk together along the Panmunjom Declaration" (in August).

Continuing the current regime under Chairman Ho Jong Man, Chongryon is likely to work on revitalization of its organizations and activities

Chongryon is expected to continue focusing on engagements to maintain and expand its organizational strength and revitalization of activities, while getting into step with the transition

toward the North-South reconciliation in the Korean Peninsula, as well as to work on its approaches to Mindan. And, as for the structure of Chongryon's central leadership, it appears that the operation of the

organization by aged Chairman Ho Jong Man would continue for now; however, within the organization, it is possible that a move to seek establishment of a successor structure may gradually come out, and the relevant developments would be drawing future attention.

COLUMN

Trend surrounding the applicability of "tuition-free high school education" policy to North Korea-aligned Korean schools

Chongryon has presented the effort for the application of the "tuition-free high school education" policy and payment of subsidy by local governments to North Korea-aligned Korean schools as the task for their activities.

For the lawsuits for "tuition-free high school education" pending against the government in 5 places around the country (ref. the chart), many parties concerned with the Korean schools are working to raise awareness toward the application of the tuition-free school policy by attending the hearings in courts and participating in related gatherings.

Also, in 2018, along with the examination of the report of the Japanese government that took place at the United Nations Committee on the Elimination of Racial Discrimination, affiliated groups of Chongryon and the parties concerned with North Korea-aligned Korean schools visited the UN Headquarters in Geneva in Switzerland (in August) and lobbied the Committee for "correction," claiming that the exclusion from application of the tuition-free education policy and nonpayment of subsidy by local governments in Japan were a case of "discrimination".

Current status of lawsuits on the "tuition-free high school education" and subsidy

Region	Plaintiff	Litigation	First trial	Appeal hearing
Tokyo	< "Tuition-free high school education" litigation > Graduates, etc. of Tokyo Korean mid/high schools Defendant: Government (filed on 2/17/2014)	Litigation for claim on national compensation	Plaintiff lost case (9/13/2017, Tokyo District Court) ⇒ Plaintiff appealed	Plaintiff lost case (10/30/2018, Tokyo High Court) ⇒ Plaintiff appealed
Aichi	< "Tuition-free high school education" litigation > Graduates, etc. of Aichi Korean mid/high schools Defendant: Government (filed on 1/24/2013)	Litigation for claim on national compensation	Plaintiff lost case (4/27/2018, Nagoya District Court) ⇒ Plaintiff appealed	Pending (Nagoya High Court)
Osaka	< "Tuition-free high school education" litigation > Osaka Korean Gakuen (Operator of North Korea- aligned Korean schools in Osaka) Defendant: Government (filed on 1/24/2013)	Administrative litigation	Plaintiff won case (7/28/2017, Osaka District Court) ⇒ Defendant appealed	Plaintiff lost case (9/27/2018, Osaka High Court) ⇒ Plaintiff appealed
Hiroshima	< "Tuition-free high school education" litigation > Graduates, etc. of Hiroshima Korean Gakuen (Operator of North Korea-aligned Korean schools in Hiroshima), Hiroshima Korean primary/ mid/high schools Defendant: Government (filed on 8/1/2013)	Administ- rative litigation Litigation for claim on national compensation	Plaintiff lost case (7/19/2017, Hiroshima District Court) ⇒ Plaintiff appealed	Pending (Hiroshima High Court)
Fukuoka	< "Tuition-free high school education" litigation > Graduates, etc. of Kyushu Korean mid/high schools Defendant: Government (filed on 12/19/2013)	Litigation for claim on national compensation	Pending (Fukuoka District Court Kokura Branch)	
Osaka	< Subsidy Litigation >Osaka Korean GakuenDefendants: Osaka Prefecture, Osaka City (filed on 9/20/2012)	Administ- rative litigation Litigation for claim on national compensation	Plaintiff lost case (1/26/2017, Osaka District Court) ⇒ Plaintiff appealed	Plaintiff lost case (3/20/2018, Osaka High Court) ⇒ Plaintiff appealed (dismissal)

(as of the end of November)

2-1

Expanding friction with the US, China to respond by adjustment of diplomatic tactics

As the exchange of additional customs duties measures with the US escalates, China shifted its stance with a long battle in view

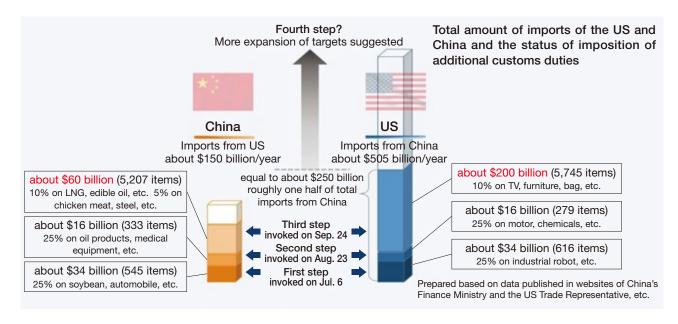
China advocated, as its diplomatic goal of 2018, to "build up the international environment more favorable to domestic development," and especially with regard to the relations with the US, it emphasized that "it's not necessary to become a rival; we only need to become a partner" (in March, Foreign Minister Wang Yi). However, in 2018 the Trump administration released the result of investigation (ref. chart on the right) based on "Section 301 of the Trade Act" that had been implemented since August 2017, and announced additional customs duties and restrictions on investment (in March) in order to face the unfair trade practice of China, thereby causing the rivalry surrounding the economic and trade issues to resurface.

China, while hinting at countermeasure to the US that announced lists of additional customs duties successively, stating "we don't wish to have trade war, but we are not afraid of it" (in March, Foreign Ministry), sent Vice Premier Liu He and others to the US for multiple rounds of negotiation (in May) and once reached an agreement on "suspension of measures of additional customs duties" (in May).

Result of investigation based on Section 301 of the US Trade Act (main points)

- China placed restrictions on foreign ownership, including requirement of joint enterprise, restriction on stock and restriction on investment, in order to accomplish technology transfer from US companies to Chinese companies.
- China placed substantial restrictions including restriction on technology license against investments and business activities of US companies.
- China directed / promoted systematic investments and acquisitions of US companies, and planed a large-scale technology transfers in industries that were deemed important to the industrial plans of Chinese government.
- China stole business information including intellectual properties, trade secrets and technical data through unlawful intrusion into networks of US companies.

However, when President Trump announced the decision for additional customs duties against China by overturning the agreement (in June), China also announced its decision for additional customs duties of the same scale, which developed into the exchange



of additional customs duties by both countries (ref. chart on page 25).

When the scale of the targets of the additional customs duties by the US expanded to about a half of the total amount of imports from China, and when President Trump further suggested additional customs duties on nearly the whole amount of imports from China, China issued a "white paper" regarding the economic and trade friction between the US and China, and claimed that "discussion is not possible under the threat of customs duties" (in September). China also began to shift toward minimizing the effect of trade friction and to show its posture of willing to accept a long drawn-out war, by asserting that "we will provide necessary support to

the companies and industries that receive relatively large impact" (the "white paper"), and by responding to the US customs duties measure in a scale of 200 billion dollars with a retaliatory duties in a scale of 60 billion dollars for the reason that it "fully considered such factors as people's welfare and durability of the companies".

On the other hand, there were signs in China of the restraint on the dissemination overseas of its industrial policy "Made in China 2025" that the US considered to be a problem, as well as the signs that could be interpreted as a move to be conscious of easing the firm stance of the US against China, such as strengthening of its promotion of "opening up to foreign countries" in economic sector.

Friction became evident even in the areas of national security and human rights

While the bilateral friction in the economic and trade areas enlarged, the United States cancelled the invitation of China to "Rim of the Pacific Exercise (RimPac)" (in May) in response to China's execution of takeoff and landing exercise of bombers in the South China Sea (announced in May by China's Ministry of National Defense). Also, in the national security aspect, the friction between the US and China became distinct, as seen, among others, when the

US made relevant section of the People's Liberation Army and those individuals related thereto as the targets of sanctions for the reason that they procured weapons from Russia, followed by cancellation by Secretary of Defense Mattis of his visit to China (in September). Furthermore, in September, there was an occurrence in which a Chinese vessel came abnormally close to a US Navy warship that conducted the "Freedom of the Seas" operation in the

Comprehensive criticism of China by the US Vice President Michael Pence



China intends to outstrip US militarily

"China prioritizes acquisition of capabilities to encroach on military superiority of the US by spending military expenditure that is equivalent to the total amount of military expenditure of other Asian countries."

Religious oppression

"On freedom of religion, a new wave of persecution is assaulting Christians, Buddhists and Muslims in China."

Plunder of diplomatic space of Taiwan

"Communist Party of China forced 3 countries of Latin America to sever relations with Taiwan since last year. This conduct threatens the stability of Taiwan Strait."

Expansion of global influence

"China is expanding its influence on Asia, Africa, Europe, and even to the governments of Latin American countries by way of so-called 'debt diplomacy.'"

Penetration into every sector of US society

"China is cajoling and intimidating corporations, universities, think tanks, and local, state and federal government staff of the US. It engaged in unprecedented activities to wield influence over the election in 2018 and the presidential election of 2020."

South China Sea.

In addition, in the human rights area, regarding infringement of human rights of the Uighurs, etc., there were moves particularly in the US Congress to criticize China's actions, as when some bipartisan US Congressmen referred a resolution to reproach China to the US Congress (in October). Furthermore, US Vice President Pence developed a wide-ranging criticism of China including national security and human rights issues (in October, ref. chart on page 26).

China, in response, repelled by saying, "the US repeatedly invented demagogy out of its own political needs and made irresponsible comments, and we are deeply disappointed" (in October, Foreign Ministry), and the US-China confrontation became visible in a wide range of areas.

While professing a "defender of free trade," China made effort to enclose developing countries

China, following on from the previous year, made its stance clear to defend free trade in occasions such as international conferences, with the Trump Administration that advocates "America First" in mind, and appealed the need for each country to work for "free and smooth trade and investment" when "the multilateral trading system is facing unprecedented challenge." In particular, to Europe that likewise received pressure from the Trump administration in the areas of economy and trading, President Xi Jinping appealed for cooperation for "antiprotectionism" in every occasion when heads of state from the UK, Germany, France and others visited China.

Also, China, at the Central Conference on Foreign Affairs Work that determined foreign policies (in June), positioned developing countries as the "native allies in international operations of China" and indicated the policy to deepen the solidarity and cooperation with these countries, and worked on strengthening of relations focusing on economic area with the countries in Central Asia, the Middle East and Africa under the banner of the "Belt and Road" initiative. President Xi himself promoted the policy of strengthening of engagement by such act as announcing economic support in massive amount to Middle Eastern and African countries, etc. Toward Arab countries, China held the 8th ministerial conference of Forum on China-Arab Cooperation (in July, Beijing), where President Xi announced such economic support as loan extension having a limit of 20 billion dollars. Also, in relation to African countries, it held the 2018 summit conference of Forum on China-Africa Cooperation that China positioned as the largest event of its base diplomacy

Remarks by President Xi pertaining to "free trade", etc.		
Boao Forum for Asia 2018 Annual Meeting (in April, Boao, Hainan Province)	"We need to strengthen the cooperation in multi- countries framework and work on free and smooth trade and investment."	
18 th Shanghai Cooperation Organization (SCO) summit meeting (in June, Qingdao, Shandong Province)	"We must support the multilateral trading system and establish the open-ended world economy."	
10 th BRICS summit meeting (in July, South Africa, Johannesburg)	"We must promote free and smooth trade and investment and make the position clear to oppose protectionism."	
2018 summit conference of Forum on China- African Cooperation (in September, Beijing)	"China will firmly keep open-ended world economy and multilateral trading system and oppose protectionism and unilateralism."	
4 th Eastern Economic Forum (in September, Vladivostok, Russia)	"We must intensively raise the level of liberalization and smoothing of trading and investment."	

of 2018 (in September, Beijing), where President Xi announced support in the total amount of 60 billion dollars.

On the other hand, with respect to China's relations vis-à-vis Russia, whose relation with the US had deteriorated, there were signs for strengthening of cooperation in various areas including national security, as seen in holding multiple times of summit

meetings (in June, July, September and November), and the first participation of the People's Liberation Army in the large-scale military exercise organized by Russia, "Vostok-2018" (in September), which suggested that the minds of the both countries coincided in dissuading the US.

Intending to develop national power and international influence, anticipating lengthening of the US-China friction

China, in anticipation of the US's firm stance against China to continue beyond the mid-term election of the US, is expected to continue working to minimize the effect of the US-China friction on China's domestic economy and development, by such actions as appealing to other countries the technological innovations as well as its policy of promoting openness to the world aimed to keep foreign investment stay in China. Also, with respect

to the "Belt and Road" initiative, it is also expected that it emphasizes its intention to realize the "high quality support" and is expected to further focus on strengthening of relationship with the countries located along the said initiative by trying to evade the criticism that China's investments in infrastructure and other matters are causing excessive debt problems in the recipient countries.

COLUMN

The "Belt and Road" initiative after 5 years of inception

The "Belt and Road" initiative is the economic zone concept advocated by President Xi Jinping in 2013 that combined the "Silk Road Economic Belt" initiative and the "Maritime Silk Road of 21st Century" initiative. China is boasting about status of the progress, saying that "the total trading volume with the countries alongside of the 'Belt and Road' initiative exceeded 5 trillion dollars in 5 years since the proposal" (in August, Vice Minister of Commerce Qian Keming), and "over 130 countries and international organizations agreed on cooperation with China (for the "Belt and Road" initiative)" (in September, Minister of Foreign Affairs Wang Yi).

On the other hand, there emerged moves one after another in 2018 that could be the "headwind" to China surrounding the "Belt and Road" initiative. Malaysia, Myanmar, Pakistan and Maldives moved to reconsider the related projects for such reasons as a change of government and budget situation. Also, a series of criticisms arose, such as when Center for Global Development, a US think tank, pointed out that, "some of the target countries of the 'Belt and Road' initiative are possibly falling into excessive debt situation" (in March, ref. chart on the right), and another US think tank "C4ADS" pointed out China's political and

military "ambition" pertaining to the construction of harbor facilities of the target countries based on the same initiative (in April).

Countries that are indicated to have possibility of falling into excessive debt due to investment / loans by China

Republic of Djibouti, Maldives, Laos, Montenegro, Mongolia, Tadjikistan, Kyrgyz, Pakistan

Regarding the said initiative, China continues emphasizing its significance, saying that "it is China's plan to promote communal development and prosperity of the world and to advance construction of the community bound together by a common destiny of mankind" (in August, President Xi); however, some voices were said to have arisen even domestically that criticized excessive foreign aids, and there were comments that seemed to indicate shifting to the "high quality development," such as that "we need henceforth to focus on overriding priority and draw up a meticulous and miniature 'Gongbi (Fine detail) picture' together" (in August, President Xi).

While the concentration of power in President Xi Jinping advanced, ill effect also surfaced

Term limit of presidency was abolished by a constitutional amendment, with the "third term" in sight

China held the National People's Congress (NPC) (in March) for the first time since the inauguration of the second-term leadership under Xi Jinping (in October 2017).

At the NPC, President and General Secretary Xi Jinping was reelected, and the "Constitution of the People's Republic of China" was revised for the first time in 14 years.

With the revision, "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era", which was General Secretary Xi's personal guiding thought established at the 19th National Congress of the Communist Party of China (in October 2017), was specified. It was the first time that a guiding thought was incorporated while in office since Mao Zedong, and that helped further raising the authority of General Secretary Xi personally. Furthermore, because the term limit rule of the President that stipulated that the term shall run no more than consecutive two terms (Section 79) was abolished, it became possible by regulation to serve three consecutive terms. Considering that no successor candidate of General Secretary Xi has been identified, General Secretary Xi is expected to maintain his unifying power until the end of his current term.

Incidentally, prior to the said revision, the 2nd Plenary Meeting of the 19th Central Committee of the Communist Party of China was held (in January) and the Constitutional Revision Bill was deliberated. It was unusual to hold a Plenary Meeting of the Central Committee solely to discuss revision of the Constitution, and it is assessed that behind this lay General Secretary Xi's intention to place importance on the Constitutional revision in order to heighten his authority.

Years in which the guiding thought of each leader was incorporated in the Constitution



Concentration of Power to the Party with Reorganization of the Party and Governmental System

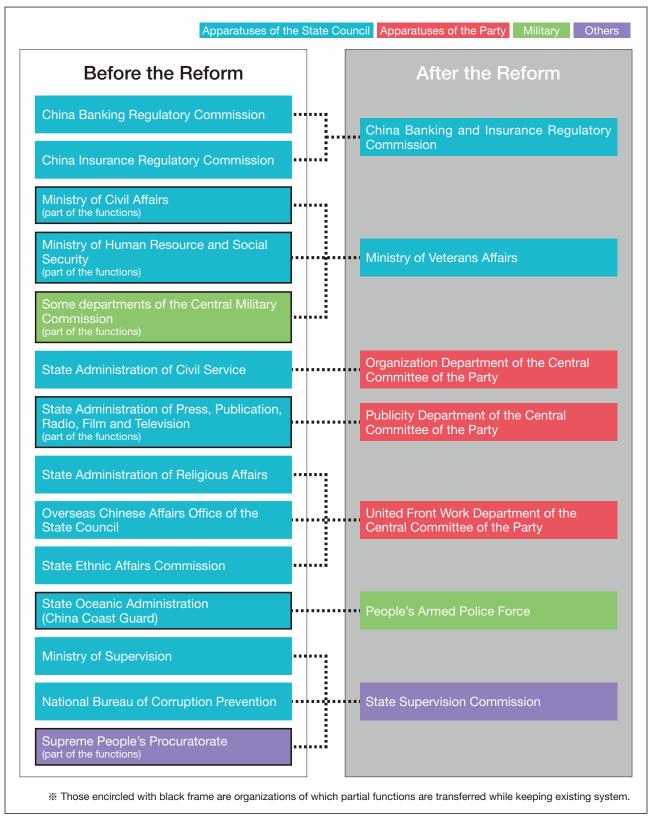
At the aforementioned NPC, a decision was made to reform the organizational structure of the State Council, and some apparatuses of the State Council were absorbed into the Party organization, such as the integration of the State Administration of Civil Service to Organization Department of the Central Committee of the Party. This was the measure based on the "Plan on Deepening of Reform of the Party and State Structure" extending over the State Council and the Party organizations, that was decided at the 3rd Plenary Meeting of the 19th Central Committee of the Communist Party of China (in February), which was assessed to establish the system for the Party to uniformly lead all organizations and activities under

the basic rule that "the Party will give guidance to everything".

The reinforcement of the Party's guidance means that the intention of General Secretary Xi, as the "core" of the Party, will be reflected in all fields. Under these circumstances, there were comments that suggested that heightened authority of General

Secretary Xi and concentration of power had further advanced, such as, "we will secure the authority in which everything is decided with one call and the sole discretion of the Party's Central Committee with General Secretary Xi Jinping as its core" (in July, Chairman of the NPC Standing Committee, Li Zhanshu).

Major Reforms of the Party and State Structure



Ill effects of "power concentration" were also observed

Amid the progression of the concentration of power to General Secretary Xi, there were some moves within the Party that could be interpreted as an excessive applause for General Secretary Xi, and along with them also came the moves that were seen as criticism of General Secretary Xi individually. A former faculty member of Peking University posted a wall newspaper on campus of the said university criticizing General Secretary Xi by saying, "we must protect the Party Constitution and firmly oppose the personality cult" (in May). Also, a video of a woman living in Shanghai pouring ink over a poster of General Secretary Xi and saying, "I am against dictatorship of Xi Jinping" was distributed on Internet (in July).

There also seemed to be a problem of organizational trend with deterioration of proactiveness and inaction within the Party and the government due to General Secretary Xi's top-down governing style. General

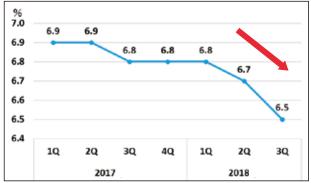
Secretary Xi stated such things as, "we must establish the right sense of political performance, rather than passivity, negligence and inaction," (in March) and "the basic duties of local organizations of the Party are to ensure accomplishment and execution of the directions from the Party's Central Committee, to promptly implement the orders, and to promptly cease prohibited matters" (in July), and these comments suggested that he had the awareness of the problem of such organizational trend as passive stance and inaction about duties within the Party and the government. To deal with it, the Xi leadership has been enforcing the tightening within the Party by revision of the "Regulation on the Communist Party of China Disciplinary Action" (issued in August) and the "Regulations on the Work of Local Branches of the Communist Party of China (trial)" (issued in November), etc.

Despite efforts on controlling financial risk, China changed the policy under the US-China economic and trade frictions

At the NPC, with a call for the "high quality development," the policy was confirmed to work on controlling the financial risk as the pressing issue, with the main goals of regulating "shadow banking" which is the financing tool other than bank loans and getting rid of excessive debts. However, these measures caused a reduction of financing, and the impact on the real economy began to emerge, such as deterioration of financing of private companies. In the situation where the GDP growth rate showed downward trend and the US-China economic and trade frictions were getting worse, the Xi leadership, at a meeting of the Political Bureau of the Party's Central Committee in July, having expressed the recognition that "the current economic operation is facing a new challenge, and there is clearly a change in our external environment," devised a shift from the policy of placing the most importance on the control of financial risk to the policy of prioritizing the stability of employment and finance with increased

government spending and money supply. With this policy shift that reflected the concern for business, the measures to control the financial risk were postponed again, creating the risk of inviting the worsening of debt issue. The Xi leadership is henceforth expected to handle the difficult steering on how to balance the "stability of economy" and the "development of reform."

GDP growth rate of China (by quarter)



(prepared based on data released by China's Office of National Statistics)

Heading toward 100th anniversary of establishment of the Party, the challenge would be whether the "sense of acquisition" can be delivered to the people

The "all-out construction of the moderately prosperous (somewhat comfortable) society" by "100th anniversary of establishment of the Party" (2021) is the "goal to be definitely achieved" during the Second Term of the Xi leadership (until 2022), and the key to the achievement of the goal is assessed to be whether it can deliver the "sense of acquisition" to the people that makes them feel for real improvement of their living condition. Although the concentration of power to General Secretary Xi has advanced through the 19th National Congress

of CPC and the NPC (in March), on the other hand, regarding the achievement of the goal, he came to undertake heavier responsibility. At the time when the US-China economic and trade frictions become protracted and the external environment surrounding the economy is getting worse, the achievement by the leaders of the goal of delivering the "sense of acquisition" to the people has become a more difficult challenge, and General Secretary Xi's ability would be tested.

COLUMN

Moves that could be interpreted as an excessive applause for **General Secretary Xi Jinping**

Since the 19th National Congress of the Party, the moves that could be taken as an excessive applause for General Secretary Xi Jinping, such as the following, became prevalent. As the moves to restrain these are also seen, the Party's Central Committee may possibly be admonishing against excessive applause.

- "Liangjiahe," the book written about the episode, etc. of the era when General Secretary Xi was sent to work in the village of Liangjiahe, Shaanxi Province (in May, Shaanxi Province People's Publishing Company) was published, and an academic group in the said Province called for the "Liangjiahe Great Study" project (in June), which is the research about General Secretary Xi's guiding thought, etc., though, the research thereafter appeared to have been stopped (in July).
- Jilin Province Party Committee created in various places the "New Era Learning Center", the facilities to propagate the spirit of the 19th National Congress of the Party, and also introduced to the subway of Changchun City of the said Province the new

- railcars called "New Era," which carry General Secretary Xi's lecture on their walls. (in July)
- In the "40th Anniversary of Economic Reform" commemorative exhibitions held at the National Art Museum of China (Beijing), etc., paintings of a) General Secretary Xi surrounded by the people, with Deng Xiaoping's image in the background, and b) the former Guangdong Provincial Party Secretary, Xi Zhongxun (General Secretary Xi's father) talking about "the Economic Reform" to Deng Xiaoping, were exhibited. In each case, the existence of Deng Xiaoping, who was the central figure of the "Economic Reform and Opening up," was trivialized. (in July)
- Based on the plan of the Publicity Department of Hunan Provincial Party, the TV station of the said Province, "Hunan Satellite TV," broadcasted a quiz program called "Studying Xi in the New Era," with questions about General Secretary Xi's thought, policies and personal episodes, etc. (in October)

China to show positive attitude toward improvement of Japan-China relations

With the opportunity of the 40th anniversary of the Treaty of Peace and Friendship between Japan and China came the promotion of mutual visits among leaders and deepening of economic cooperation

Coming to the milestone year of the 40th anniversary of the Treaty of Peace and Friendship between Japan and China, China showed the posture of promoting the improvement of relations with Japan through such actions as mutual visits of senior officials, exchange among the regional levels, and commemorative events. Included in these were many exchanges that had been suspended for a long time due to worsening relations and were later restarted.

In May, Premier Li Keqiang paid a formal visit to Japan for the first time in about 8 years as a China's Premier in conjunction with the holding of the 7th Japan-China-South Korea summit, and at the Japan-China summit meeting, confirmed the agreement to engage in the realization of Prime Minister of Japan Shinzo Abe's visit to China within the year as well as the private sector economic cooperation between Japan and China in third countries.

In October, President Xi Jinping and Premier Li each had a meeting with Prime Minister Abe when he visited China and confirmed to advance the Japan-China relations to the "new stage." Also, both countries indicated proactive postures for the promotion of mutual visits of the heads, as seen when Japan invited President Xi's visit to Japan and Chinese side responded to it by expressing, "we would like to consider it earnestly." Through a series of meetings, they agreed on the cooperation in the economic fields such as the private sector economic cooperation in third countries, and they also shared the recognition that "it is important to make a specific progress in the fields of maritime issues and national security," such as "avoidance of contingencies in the East China Sea."

Important mutual visits and exchanges between Japan and China that were restarted in 2018				
Month	Event	Last time	Interval	
Jan.	Foreign Minister's visit to China	Apr. 2016	About 2 years	
Apr.	Exchange of officers at major to colonel level between Japan and China	Stopped in Oct. 2012	About 6 years	
	Chinese Foreign Minister's visit between two countries	Nov. 2009	About 8 years	
	4 th Economic high-level dialogue between Japan and China	Aug. 2010	About 8 years	
	14 th Intergovernmental conference on Japan-China Cultural Exchange	June 2009	About 9 years	
May	Telephone conference of heads of Japan and China	First time to have tel. conference with China's President		
	Chinese Premier's visit between two countries	May 2010	About 8 years	
	Emperor received a visit of China's Premier	June 2010	About 8 years	
	3 rd Japan-China Forum for governors and provincial governors	Oct. 2014	About 4 years	
July	16 th Japan-China Information Service Industrial Conference	Nov. 2011	About 7 years	
Aug.	5 th Japan-China Shipping Policy Forum	Mar. 2012	About 6 years	
	8 th Japan-China dialogue at vice-minister level of agriculture ministries	Mar. 2016	About 2 years	
Sep.	Visit of mayor of Beijing to Tokyo Metropolitan Government	Nov. 1994	About 24 years	
Oct.	Provision of ibis by China	Nov. 2007	About 11 years	
	Prime Minister's visit between two countries	Dec. 2011	About 7 years	

No posture of concession was seen on pending issues between Japan and China

On the other hand, China repeated its own claims on pending issues of the recognition of history, Taiwan, and maritime rights and interests. With respect to the recognition of history, there were situations in which it required Japan to "face up to history" and to have "reflection," making such comments as, "Japan's government and its leaders have been saying a number of times that they wanted to squarely face that history of the past and reflect on it, and I hope the Japanese side to embody that in actual conduct" (in May, Premier Li), and "Japan should adequately face up to the history of invasion of the past and deeply reflect on it" ("People's Daily" dated August 15). With reference to Taiwan, China expressed deep displeasure about the message of sympathy that Prime Minister of Japan Abe sent upon the occurrence of earthquake in Taiwan, by saying "it is overtly creating 'one China, one Taiwan' internationally in the name of aids and sympathy to the victims" (in February, Press Secretary of Foreign Ministry), and also complained about the notation of "Taiwan" on the websites, etc. of Japan's airlines and others that they are "treating as if it is a 'nation'" (in January, Civil Aviation Administration of China), and demanded its change.

Also, in the seas around Senkaku Islands, China repeated its attempts to change the existing condition by force, by repeated invasions of China's public vessels into Japan's territorial waters and navigation of a submarine within the contiguous zone of the said territorial water, which was detected for the first time (in January).

China may maintain the betterment tone in relations with Japan, with the background of the US-China relations loaded with trade friction

China often referred to "protection of free trade system" and "opposition to protectionism" in the aforementioned associations and exchanges with Japan, and its posture is evidently notable in trying to gain Japan's support of China's position amid the increasingly fierce trade friction between the US and China.

At the time when Japan is scheduled in 2019 to have the Emperor's abdication and enthronement of the Crown Prince, and the holding of G20 Osaka Summit which President Xi is expected to attend, China appears to take these opportunities and intend to create an atmosphere for improvement of relations with Japan.

2-4

While intensifying the pressure on Taiwanese authorities, China aims to capture the hearts of the Taiwanese people and foster a mood for "unification"

China sternly on the watch for the closer US-Taiwan relations and the moves of the "Taiwan independence" force

China pressed the Tsai Ing-wen's administration of Taiwan into accepting the "One China" policy and intensified the pressure on the said administration in all directions. Militarily, it conducted liveammunition exercise around Taiwan Strait (in April, July), and increased the flights of bombers, etc. around the main island of Taiwan from several times a year previously to multiple times weekly. In the diplomatic front, it established diplomatic relations one after another with countries that had diplomatic relations with Taiwan (Dominican Republic (in May), Burkina Faso (in May), and El Salvador (in August)). With the Vatican, it signed a tentative agreement regarding the power to appoint bishops (in September). On this matter, Foreign Ministry of Taiwan expressed its understanding that "the tentative agreement will not affect the diplomatic relations between Taiwan and the Vatican," but there are also opinions with concern over the possibility of future break off the relations between Taiwan and the Vatican.

Behind these intensified pressures apparently lay a move of heightened involvement of the United States in the Taiwan issue, such as the enactment of the "Taiwan Travel Act" that facilitates mutual visits of senior government officials of the US and Taiwan (in

March), and the passing of the 2019 National Defense Authorization Act that incorporated enforcement of military cooperation with Taiwan (in August), and lay additionally China's intense sense of caution against the "Taiwan independence" force that took these moves of the US as "a big chance to raise its presence in the international community."

Gist of the US National Defense Authorization Act for FY 2019 (the part on Taiwan)

- ▶ US should strongly support Taiwan's procurement of self-defense weapons, and should especially promote sales to Taiwan of weapons that are focused on improvement of capability for asymmetric warfare and underwater warfare.
- US Defense Secretary should promote practical training and military exercise with Taiwan.
- ▶ US Defense Secretary should promote the exchange of senior defense-related officials of US and Taiwan consistent with the Taiwan Travel Act.
- US Defense Secretary should prepare evaluation and proposals regarding Taiwanese military for improvement of Taiwan's self-defense ability.
- US Defense Secretary should consider providing hospital ships to Taiwan for the purpose of strengthening of cooperation relations of US and Taiwan.

From a medium- and long-term perspective, China introduced various preferential measures targeting Taiwanese people

China successively announced preferential measures for Taiwanese people. In February, it announced "some measures for the cross-strait promotion of economic and cultural exchange and cooperation" ("31 articles on grace Taiwan measures") to expand preferential policies regarding

Summary of the "31 Articles Grace on Taiwan Measures"

Gist	Providing preferential treatment when Taiwanese people make investment, enter school, begin to work, or start business in China
Composition	12 items are addressed to Taiwanese companies (promotion of participation in infrastructure construction in China, and government procurement for "Made in China 2025" in China, etc.)
	19 items are addressed to Taiwanese public (opening up of qualification exam for various jobs, and permission to join the personnel assessment system, etc.)

entering school, starting business and living of Taiwanese people in China, and in September, it started issuing the "Hong Kong, Macao, Taiwan Residence Permit" that makes it possible to receive the "equivalent treatment" with the Chinese in such things as joining social security and use of public

facilities. These moves suggested its aim of drawing the minds of Taiwanese people to China with the medium- and long-term perspective of "unification" in sight, at the time when the cross-strait relations of the authorities have fallen into a stalemate.

Possibility of the cross-strait relations becoming the focal point in the presidential election of Taiwan

The Tsai administration, in the situation where the stagnation of its approval rating continued, tried to lift its political power by executing the Cabinet reshuffling and others; however, in the nationwide local elections (in November), the Democratic Progressive Party (DPP) ended up losing many heads of local government. As a result, President Tsai Ing-wen announced her intention to resign as the Chairperson of the DPP (in November).

About the election result, China pointed out that "it reflected the wishes of Taiwanese people to share the "peaceful development" of the cross-strait relations" (in November, State Council Taiwan Affairs Office) to use the election result for criticizing the crossstrait policy of the Tsai administration, thus trying to shake the Tsai administration by calling for exchange between cities subject to "One China." There appear to be some signs in the Nationalist Party (Kuomintang) to respond to the China's appeal; therefore, there is a possibility that the stance on the cross-strait relations becomes the focal point of the 2020 presidential election.

COLUMN

In the nationwide local elections, the Nationalist Party, the opposition party, made great strides

In the nationwide local elections in November, out of 22 elections of the heads of cities and prefectures, including direct-controlled municipality, the opposition party, the Nationalist Party (Kuomintang), won in 15 cities and prefectures making a remarkable gain from 6 previously, while the government party, the Democratic Progressive Party, won in 6 cities and prefectures, which was a significant reduction from 13 previously.

It has been pointed out that behind this lay the disapproval of pension system and the cross-strait policy of the Tsai Ing-wen administration, as well as the effect of the unorthodox speech and behavior of Han Kuo-yu of the Nationalist Party, the mayoral candidate of Kaohsiung City, that drew great attention of the public.

Nationwide local elections are said to have the implication as a prelude to the next presidential election, and in every presidential election in the past

Parties to which the head of direct-controlled municipality, mayors and governors who won the nationwide local elections belong

	Before election	After election
Democratic Progressive Party	13	6
Nationalist Party (Kuomintang)	6	15
Independence	3	1

that saw a change of government (years 2000, 2008, 2016), the opposition party made a leap forward in the immediately preceding local elections. However, there are many voters in the neutral layer who have not decided how to vote, and efforts to capture these voters are anticipated to become fierce.

The 4th Putin Administration started, with characteristics in the continuity of domestic and foreign policies

While maintaining power balance in personnel affairs, Russia began to work on pension reform, among others, as the continuing problems over the years in its economy

In the Russian presidential election held in March, President Putin won it by acquiring 76.69% of the votes, which was the highest rate of votes since the Putin administration took office in 2000, and the 4th Putin administration started (in May). In the key personnel assignments of the administration at its inauguration, changes were limited, such that Prime Minister Medvedev, Foreign Minister Lavrov, Defense Minister Shoygu and other primary cabinet members were kept in office, to form a lineup with emphasis on continuity of policies and maintenance of the balance of power.

President Putin presented, in the Presidential Decree issued immediately following the inauguration, a target to give an impression of "the Strong Power Russia" such as to "get the Russian economy to become one of world's top 5." On the other hand, while anxiety over the prospect of its domestic economy arose due to sanctions against Russia placed by the US and Europe, the Russian government kept the austere fiscal policy line of recent years and set about working on the reform of its pension system that had been oppressing the national economy (in June).

The plan for reforming the pension system proposed by the government ignited a strong backlash of the public, causing various opposition parties to carry out demonstrations and meetings to oppose the bill throughout the country (in July and September) and became a social problem. Such a rise in resistance caused a fall of President Putin's approval ratings, prompting him to announce an amended bill (in August) in an effort to restore calm; however, in the elections for the governors of federal administrative divisions at the nationwide local elections held thereafter (in September), the issue brought difficult campaigns to candidates on the side of the administration and the ruling party, causing losses of multiple governors in office.

Within about one month after the nationwide local elections, President Putin replaced the existing governors in 11 federal administrative divisions (in September and October), and is trying to give a popularity boost to his administration with an eye on the nationwide local elections of 2019 and further on the 2021 election of State Duma (Lower House) of Russia's Federal Congress.

Despite having the US-Russia Summit, no sign was seen for improvement of their bilateral relations

In the diplomatic policies, President Putin in his Annual Presidential Address (in March) showed his stance to aim for negotiations with Western countries on an equal footing in all international issues by having Russia continue to position as a "great power" in the international community.

In reference to the relations with the US and Europe, the US Treasury Department publicized (in January) a list of 210 Russia's senior government officials and entrepreneurs who were said to be close to President Putin over the suspicion that Russia may have intervened in the US presidential election of 2016 (Russia-gate), followed by mutual expulsion of diplomats by Russia and Western countries from their respective countries over the attempted assassination of a former Russian intelligence officer that occurred in the UK (in March, "Skripal case"), with continued worsening of relations.

On the other hand, there were also moves to explore the dialogues with the US, such as President Putin's meeting with President Trump in the US-Russia Summit for the first time in a year (in July, Helsinki), and Russian Security Council Secretary Nikolay Patrushev's meeting with the US Presidential advisor John Bolton (in August, Geneva).

However, there has been no visible sign of improvement in the bilateral relations, as seen when

the US imposed a new sanction against Russia after determining that there was an involvement of Russian government in the "Skripal case" (in August), and when President Trump announced the abrogation of the Intermediate-Range Nuclear Forces Treaty (INF) for the reason of Russia's violation of the Treaty (in October), to which Russia hinted at the possibility of a countermeasure.

Seeking to present clearer posture of cooperation with China to maintain Russia's presence in the international community

While the conflict with the US and European countries continued, Russia fortified its relations with China in a variety of areas, such as the participation in the "4th Eastern Economic Forum" by President Xi Jinping (in September, Vladivostok) for the first time, as well as the participation by China's troops for the first time in the major military exercise in the Far East region "Vostok-2018" (in September).

Regarding the Korean Peninsula situation, Russia demonstrated its posture of actively involving in the security of the Korean Peninsula, while taking concerted steps with China. Also, regarding the Syrian situation, Russia sought to expand its influence in the Middle-East region by holding 3-party summit meetings of Russia, Turkey and Iran for normalization of Syria (in April and September), as well as by

creating pragmatic relations with the countries having cooperative relationship with European countries and the US such as Israel and Saudi Arabia.

In the circumstances where the pressure by Western countries is kept and reinforced against Russia, President Putin is expected to continue his firm stance against European countries and the US to avoid further deterioration of his approval ratings that had dropped due to domestic situations. In relation to China, despite some talk of caution for China's economic and military rise, it is assessed that President Putin would deepen the strategic partnership of the two countries and would engage in securing the presence in the international community as "one of the leading great powers" by continuing to actively involve in regional and international issues.



Russia aims for economic cooperation among Russia, North Korea and South Korea by taking the opportunity of improved inter-Korean relations

Coming into 2018, by taking the opportunity of improved inter-Korean relations, Russia repeatedly expressed its intention to realize such projects as connection of the Trans-Siberian Railway with the Trans-Korean Railway, and installations of gas pipelines and the power network in the Korean Peninsula, by three-party collaboration of Russia, North Korea and South Korea.

Especially, Russia seems to consider the railroad connection as the project with high potential to realize, because North Korea and South Korea agreed in September to have the groundbreaking ceremony within the year for the connection of the Trans-Korean Railway (Donghae Line and Gyeongui Line). The Trans-Siberian Railway that connects Moscow and Vladivostok is the world's longest railroad with 9,300 kilometers long, and the project of connecting it with the Trans-Korean Railway had been set up by taking the opportunity of the Russia-North Korea summit meeting in 2001, although not much progress had been seen with the project in recent years due to rising tensions caused by North Korea's nuclear and missile development.

By promoting the projects relating to infrastructure development of railroad, gas pipeline and power network, Russia is assessed to aim for an increase of cargo passing fees and freight earnings as well as the development of its Far East, and for maintaining of influence in the Korean Peninsula.

Russia recognizes that, for realizing the three-party projects, it is necessary to have normalization of the Korean Peninsula situation as well as easing / lifting of the sanctions against North Korea. For this reason, it is anticipated that Russia henceforth would work on creating the environment for realizing the projects by pressing the US hard with necessity of easing / lifting of the sanctions against North Korea, while keeping eyes on the future of the US-North Korea talks (ref. "Column 1 on page 17).



Railroads of Russia, North Korea and South Korea

3-2

While keeping a check on "cooperation against Russia" stance of Western countries and Japan, Russia continues to expect enlargement of Japan-Russia economic cooperation

Amid continued sanctions against Russia by Western countries, Russia on the alert for Japan's move that may reinforce its tie with Western countries

Russia highly evaluates the bilateral relationship with Japan, as President Putin stated that "(Japan is) a trustworthy partner that is very important to Russia" (in September), and exhibited moves to continue exploring expanded cooperation with Japan following the inauguration of the 4th Putin administration (in May).

On the other hand, Russia, when it harshly criticized the retention and enforcement of sanctions against Russia by Western countries, pointed out that Japan joined the foreign ministers' statement of the Group of Seven (G7) that condemned the Russia's response to the "Skripal incident" (in April)

and reacted against it as a coordinated action with Western countries in the sanctions against Russia.

In addition, with regard to the decision of the Japanese government to introduce the land-based Aegis system (the "Aegis Ashore") (in December of 2017), Russia counteracted to it as a move to reinforce the Japan-US relations in security areas, as seen in the referral to it as "a new step toward establishment of a full-scaled base in the Asia-Pacific region for the Global Missile Defense (MD) System of the US" (in February, Foreign Ministry Spokesperson Maria Zakharova).

Through the continuing political dialogues, Russia urged activation of trading and investment, followed by some voices of dissatisfaction of the current state of economic cooperation

In terms of bilateral cooperation with Japan, there were active dialogues between the governments, such as the discussions between the officials in charge on joint economic activities of Japan and Russia in the Northern Territories, and the 3rd meeting of the "Foreign and Defense Ministerial Consultations" (2+2) (in July). In the meantime, at the Japan-Russia Summit (in November), an agreement was made to further advance the work toward promotion of the project of Japan-Russia joint economic activities, followed by an announcement by Prime Minister Shinzo Abe after the meeting that there was an agreement to accelerate the negotiation for a peace treaty based on the "Japan-Soviet Joint Declaration" (of 1956).

In the economic area, many economic cooperation plans were generated between Japan and Russia, based on the 8 items of the "Cooperation Plan" that Prime Minister Abe proposed in 2016, and, with the bilateral trading value in 2017 turning to an increase over the previous year for the first time in 4 years, President Putin expressed an expectation for a further increase in the Japan-Russia trading value as well as Japan's investments in Russia. On the other hand, there were some voices of dissatisfaction from Russian side, such as that "Prime Minister Abe's encouragement for investments to Russia was insufficient" (in September, Deputy Prime Minister Trutney).

In the Northern Territories, there was a progress in development of social infrastructure through active involvement of private investments, in addition to public projects, along with continuation of military buildup on local sites

Russia has been continuing the development of the Northern Territories based on its long-term plan led by the federal government, such as, in 2018, the laying work started for submarine optical fiber cable connecting the three islands of Etorofu, Kunashiri, Shikotan and Sakhalin Island, along with continuing development of infrastructure in the areas of housing, education and transportation.

On the other hand, for the development of the Northern Territories, there were signs that Russia sought to invite private investment, such as the designation of a portion of Shikotan Island as the special economic zone called "Territories of Rapid Development" (in August 2017), and in 2018, a marine products company in Shikotan Island obtained an approval for business operations at the said special economic zone and began working on the development of a harbor and construction of fish processing facilities (ref. "Column" below).

There were also moves in the Northern Territories

to build up the military force, as seen when the Russian government put the new airport in Etorofu Island built as a civilian airport to both civilian and military common use in 2014 (in January), and began test-deployment of advanced fighter aircrafts to the said airport (in August). Also, the First Deputy Minister of Defense Tsalikov visited Etorofu and Kunashiri Islands and directed acceleration of the infrastructure development work being under way at the military post there (in May). Furthermore, the stationed troops there actively conducted military exercise (in February and April).

In 2019, Prime Minster Abe's visit to Russia early in the new year and President Putin's visit to Japan in June are respectively scheduled, and various political dialogues between Japan and Russia are expected to take place, and through these occasions, a variety of messages of either hardline or moderate nature are anticipated to come out of the Russian side on the economy and security issues.

COLUMN

Russia making efforts in invitation of private investments in the Northern Territories

Russia in recent years has shown its aim for active use of private investments in the development of the Northern Territories. Currently, in the on-site development program of the Northern Territories and the Chishima Islands led by the Russian government (2016 \sim 2025), one of the key challenges is to invite and promote direct investments from in and out of Russia, and the developments with an eye on improvement of investment environment, such as the development of transportation infrastructure and community infrastructure, are under way. Also, the Russian government set out the policies of preferential tax treatment through tax system for the special economic zone ("Territories of Rapid Development"), etc. as well as preferential allotment of fishery catch quota, and it is calling for investments from in and out of the country through these policies.

In the Northern Territories, a part of Shakotan village in Shikotan Island was designated as the "Territories of Rapid Development" in August 2017, and a marine products company in the island that obtained an approval for business operations at the special zone has been engaging in the development of a harbor and construction of fish processing facilities at its own capital. There were also such moves that a marine products company in Etorofu made an investment in the construction of processing facilities aiming to acquire the "investment quota" assigned to a company that makes investment in fishing boats and marine products processing factories, which was introduced by an amendment of the Fishery Act in 2016. As these companies, in making such investment, procured equipment and received technical support from companies of third countries, it was repeatedly observed that the third countries were involved in the development of the Northern Territories.

The economic activities by a company of third country in the Northern Territories would require a certain procedure premised on Russia's jurisdiction in the Northern Territories, such as acquisition of Russian visa, and this is not acceptable to Japan's legal position regarding the Northern Territories. Private investments in the Northern Territories tend to increase in recent years, and there is a possibility that business activities of local companies involving third countries would be more vigorous.

External Situation 4

International Terrorism

4-1

Threat by international terrorism that continues to spread

The year 2018 saw continuation of proliferation of the threat of "Islamic State in Iraq and the Levant" (ISIL), as seen in the successive terrorist attacks relating to ISIL in all over the world such as in the European and Asian countries, while the group continued attacks by maintaining a certain level of force in Syria and Iraq even after scaling down the area of activities under the mopping-up operation.

Even after having contracted its areas of activities due to the mopping-up operation in Syria and having lost many of its fighters in Iraq, ISIL continued encouraging execution of terrorist attacks throughout the world by having the remaining fighters continue conducting attacks.

It was evident that the threat of ISIL continued as before and its influence was permeating, as seen in the terrorist attacks presumably by ISIL-affiliate organizations and others successively occurred in African countries, and successive exposures of ISIL-related terrorist plots in the US and European countries even though the number of cases of terrorist attacks related to ISIL turned downward. Furthermore, the occurrence in South East Asia of "family terrorism" that was incomparable in the world, and the first issuance by ISIL of statement claiming responsibility for the terrorist attack in Central Asia both served to highlight the seriousness of the threat and proliferation of its influence.

Regarding terrorist organizations other than ISIL, "Al Qaeda" maintained active propaganda activities by issuing statements one after another aiming to revive its centripetal force, and regional "Al Qaeda"-affiliate organizations also developed terrorist activities in their respective base areas.

4-2

"Islamic State in Iraq and the Levant" to continue terrorist attacks claiming immortality of the "Caliphate" even after having been subjected to the mopping-up operation

Mopping-up operation against "Islamic State in Iraq and the Levant" continued

The "Islamic State in Iraq and the Levant" (ISIL) was deemed to have lost all of the cities and towns under its control in Syria and Iraq, and the "Caliphate" that ISIL asserted practically collapsed; however, even in 2018, it kept a certain level of force, and the governments of both countries continued the mopping-up operations against ISIL.

In Syria, shrinkage in the area of activities of ISIL progressed as the Assad regime brought the ISIL area of activity in the eastern and the southwestern parts under its control, and the "Syrian Democratic Forces"

(SDF) supported by the US and others liberated the border area with Iraq in the northeastern part from ISIL.

In Iraq, although the security units and paramilitary groups primarily of Shiites supported by the US and others killed or captured many fighters in the northern, eastern and western parts that used to be under the control of ISIL, there seemed to be some more fighters remaining, making the situation yet short of suppressing the activities of ISIL.

Terrorist attacks continued in Syria and Iraq

ISIL continued its activities in various parts of Syria and Iraq by remaining fighters even after the "Caliphate" had virtually collapsed, and the attacks by ISIL continued in both countries.

In Syria, ISIL executed extensive terrorist attacks by suicide explosions and others in As-Suwayda Governorate in the south and kidnapped many women of Druse, a minority group of Islam (in July), and in the suburb of Raqqa in the north, which was once called the "capital" of "Caliphate," it executed terrorist attacks one after another against SDF and the US force. Also, in Deir ez-Zor Governorate in the east, it kept the control of some villages in the area along the eastern bank of the Euphrates River and attacked the Assad regime's military bases, which seemed to be intended at recapturing of Al-Bukamal, an important point of transportation.

In Iraq, ISIL continued attacks the capital city of Baghdad, as well as in the north, the east and the west, and in the face of upcoming National parliamentary election (in May), it claimed to have executed multiple attacks targeting at voting places. On the other hand, when a blank in security was said to exist in some areas in the north and the east due to the conflict between the local government of Iraqi-Kurdistan area and the Iraqi government over the referendum on the independence of the said area (in September 2017), ISIL that reportedly positioned itself near the area took advantage of it and attacked the security units and such infrastructure facilities as a power plant, among other things.

Claiming immortality of "Caliphate," ISIL appealed "military gains" in various regions

While its activity area was decreasing, ISIL claimed immortality of "Caliphate" and encouraged continuation of fighting throughout the world, by way of the audio statement attributed to the spokesman Abu al-Hassan al-Muhajir (in April), and further, in the audio statement attributed to its supreme leader, Abu Bakr al-Baghdadi of the first in about a year, it made a display of Baghdadi's presence as "Caliph" and urged continued fighting stating that loss of controlling territory did not mean a defeat, thereby appealing the permanency of "Caliphate" (in August).

In addition, ISIL distributed videos, almost every week since August, to claim its "military gains" in various parts in the world such as Syria and Iraq, through its foreign language media arm called "Al-Hayat Media Center." ISIL also strongly appealed that the group was still to be reckoned with by continuing to publish articles about weekly "military gains" on its Arabian-language weekly magazine "Al Nabaa," and delivered recorded programs about "military gains" of the past year on Internet through its radio station "Al-Bayan" (in October).

Propaganda remained effective, continuing to urge execution of attacks

ISIL has been exerting influence all over the world through propaganda on Internet. Propaganda by ISIL appears to be decreasing with the shrinkage of its activity areas in Syria and Iraq, and according to "Combating Terrorism Center," a counterterrorism research institute of the United States Military Academy, the number of issuance per month decreased by 94%, from 761 in August 2015 when it was most active down to 44 in June 2018, although it was also pointed out that the number thereafter showed a minor upward trend. In addition, the propaganda issued by ISIL in the past remained on Internet as a result spreading by the hands of ISIL supporters and others, thus the breeding ground for exerting influence of the ISIL ideologies still exists.

Also, even under the circumstances where the organ magazine "Rumiyah" that had been presenting specific modus operandi of attacks was suspended for delivery in September 2017 as the last issue, ISIL issued statements of the leaders to strongly urge execution of attacks in various regions. Especially in the statement attributed to the supreme leader Baghdadi, he himself for the first time referred to specific modus operandi of terrorist attacks such as the use of bombs, knives and vehicles, etc. while discussing the "value" of terrorism in the US and

European countries (in August), and Arabianlanguage weekly magazine "Al Nabaa" published an article on the execution of the "lone wolf" type of attacks, and urged to "look for blanks in security and soft targets" (in September) and also referred to modus operandi, targets and advantages for arson (in October).

ISIL is henceforth expected to maintain the posture of do-or-die resistance to the mopping-up operation in Syria and Iraq and continue its attacks in various area in both countries, as well as to continue and reinforce its urging to execute terrorist attacks all around the world in order to show off the presence of its own organization.



A part of the article of Issue #150 of "Al Nabaa" on the execution of the "lone wolf" type of terrorist attack

COLUMN

Propaganda situation on SNS by the supporters of "Islamic State in Iraq" and the Levant" (ISIL) and the trends of ISIL

Issuance of propaganda by ISIL is said to be decreasing along with a reduction of activity area of ISIL in Syria and Iraq. On the other hand, the supporters of ISIL are developing their own propaganda activities along the ideology of ISIL by forming various groups on Internet.

For example, at the FIFA World Cup (in June-July) held in Russia, which was named by ISIL as the target of attack, even though ISIL was said to have abstained from directly urging the execution of attacks with presentation of specific modus operandi and targets, its supporters urged the execution of attacks by distributing many posters using the photographs of well-known representative players of foreign countries or President Putin of Russia and by presenting modus operandi and targets.

Although no specific terrorist incident was said to have occurred at the World Cup in Russia, there were those among the ISIL supporters who posted critical opinions on SNS about the propaganda activity against the event, saying "it was a mistake to have

disclosed too much of the modus operandi."

Under the circumstances, although ISIL up to that point did not appear to have referred to the moves of its supporters on Internet, in the statement issued simultaneously with the closing of the World Cup in Russia, it expressed its position that "those issued by anyone other than the official medium of the central media division did not represent the 'Islamic State'," and furthermore, it displayed a "guidance" on the propaganda activities of ISIL supporters, as when it called, in the Arabian-language weekly magazine "Al Nabaa," to "Be faithful to the official media of 'Caliphate'" (in September).

Despite such "guidance" by ISIL, its supporters are continuing their own propaganda activities, such as the posting of suggestion of attack in the Asian Games held in Indonesia (in August-September), and the propaganda activities of ISIL's supporters henceforth require attention, including the influence of "guidance" by ISIL.

Threat of "Islamic State in Iraq and the Levant" that continues proliferation and infiltration into various regions

Terrorist attacks relating to "Islamic State in Iraq and the Levant" came in succession in the Middle East and African countries

Terrorist attacks relating to "Islamic State in Iraq and the Levant" (ISIL) occurred in succession in the Middle East and African countries.

In Iran, while the country was named as a target of terrorist attack in the audio statement attributed to ISIL spokesman Abu al-Hassan al-Muhajir, among others (in April), there was an attack targeting the military parade held in commemoration of the starting date of the Iran-Iraq War (1980-1988), and ISIL claimed its responsibility for the attack (in September).

In Saudi Arabia, although there was no ISILrelated attack during 2017 despite the country being named as a target of attack by ISIL repeatedly, an attack occurred at a checkpoint in Buraydah, the capital of Al-Qassim Region in the central (in July), and ISIL claimed that its affiliate organization was responsible for it.

In Yemen, where the fighting between governmental forces supported by allied forced led by Saudi Arabia and Shiite armed insurgents "Houthis" was repeated, ISIL-affiliate organization continued attacks on the governmental forces and the fighting against "Houthis."

In Egypt, even though ISIL-affiliate organization based in the Sinai Peninsula in the northeast was reported to have lost many fighters as a result of reinforced mopping-up operation by security authorities, it executed terrorist attacks against the target of security authorities by combining bombs and assaults (in April), thereby demonstrating that it still retained the ability to conduct attacks.

In Somalia, the force which supports ISIL positioned itself in a region in the northeastern part to repeat terrorist attacks against security authorities,

and in the capital city of Mogadishu, it claimed to have executed a number of terrorist attacks targeting security authorities, which displayed the intent to show off its presence.

In Libya, where two political forces were in confrontation with each other to create continuing political turmoil, ISIL-affiliate organization has kept its activities in the desert regions in the central and southern parts since its retreatment from the former base in Sirte in the central part (in December 2016) and while there was a report that the number of fighters was in the upward trend, the organization reactivated its activities in the capital of Tripoli, with a suicide bomb attack against the headquarters of election administration committee (in May) and an assault / suicide bomb attack against a national oil company (in September).

In Nigeria, ISIL-affiliate organization displayed its ability to execute terrorist attacks primarily in the northeastern region by such act as repeated terrorist attacks targeting security authorities.

The ISIL's supportive force based in the border area of Niger and Mali claimed that its own organization was responsible for the suicide bomb attack targeted at French military unit (in January) and the terrorist assault targeted at leaders of Mali's security authorities, to show off its presence.

As the activity areas of ISIL in Syria and Iraq are getting smaller and transfer and dispersing to other places of ISIL fighters including foreigners are progressing, there is concern that ISIL-affiliate organizations and others expand their forces by taking advantage of the unstable situation of the region and continue terrorist attacks.

In Western countries, the influence of "Islamic State in Iraq and the Levant" continued infiltrating, and threat persists

ISIL presented specific modus operandi and targets to its supporters residing in Western countries and continued calling for execution of attacks in their countries of residence, causing, in these countries, successive terrorist attacks by those who appeared to be influenced thereby, and there were also exposures one after another of ISIL-related incidents.

In France, a man in Aude Prefecture in the south hijacked a vehicle, shot a policeman, and then barricaded himself in a supermarket by taking hostages (in March), and in the capital of Paris, in a busy quarter near the Opera House in the center, an incident in which passers-by were assaulted by a knife occurred (in May), and a video which seemed to show that the perpetrator pledged loyalty to ISIL before the attack was released on SNS. Also in Belgium, an incident occurred in which a man in Liege in the east barricaded himself in a school after assaulting a policeman (in May), and in Canada, in Toronto in the east, an incident occurred in which a man assaulted passers-by with a gun (in July) and the cases continued which have been committed by ISIL in accordance to the report from a news agency

presumably connected to ISIL.

Amid such an environment, in Germany, a terrorist plot using highly poisonous ricin was exposed in Cologne in the west, and the man who manufactured ricin in accordance with the manual distributed on Internet by ISIL supporters and his wife who assisted the said plot were arrested (in June and July), and in the Netherlands, a terrorist plot by 7 persons concerned with ISIL was exposed in Arnhem in the center and Weerth in the south (in September), and further, various countries in Europe saw continuing exposures of ISIL-related cases one after another, such as the exposures of citizens of their own countries who were deemed to have joined ISIL and returned.

In Western countries, although the number occurrence of terrorist attacks related to ISIL decreased compared to 2017, infiltration of the influence of ISIL is considered to be continuing, as seen in continuing cases of exposures of terrorism related to ISIL, which raises concern about occurrence of terrorist incidents in the future by those influenced by ISIL.

In Asian countries, the threat of terrorism relating to "Islamic State in Iraq and the Levant" is still serious

Although the supportive force of ISIL in southern Philippines lost a little less than 1,000 fighters at the incident of Marawi Occupation in Lanao del Sur Province (in May-October 2017), it continued terrorist attacks thereafter in a part of Sulu Archipelago and Mindanao. ISIL had been calling southern Philippines and Indonesia, etc. collectively as "East Asia" and praising terrorist acts by the supportive force of ISIL in these areas, and in July for the first time used the term "East Asia Province (*Wilayat*)" to appeal the said area to its supporters as one of the areas for ISIL to control.

Amid these circumstances, a large-scale terrorist incident with car bomb occurred in Basilan Province of Sulu Archipelago, and ISIL claimed that it was committed by Moroccan members (in July). The ringleader was considered to be the leader of the local ISIL supportive organization that had repeated terrorist attacks in the past, and the fact that a car

bomb that had never been seen before in the region was used, and the fact that there was a possibility that it was s suicide bombing attack by fighters of a foreign country raised a concern about diversification and radicalization of terrorism in the region.

In Indonesia, a riot by ISIL supporters and others occurred in the detention facilities in the suburb of the capital city of Jakarta and 5 policemen died (in May), and in Surabaya of East Java Province of the west and its suburban areas, 3 families of an ISIL supportive organization executed suicide bombings and other attacks against a church and a police station, causing the deaths of a dozen people including attendees of mass on Sunday (in May). Especially, the "family terrorism" by whole families including women and children had no precedent in the world and was enormously shocking internationally as well as domestically. Since then, terrorist attacks and their exposures related to ISIL occurred in succession,

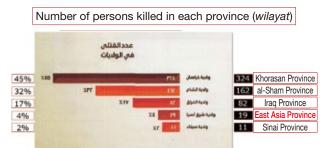
such as the assault on a police station using large knives (in May, Riau Province), exposure of terrorist plot aiming at the National Assembly and united local governors' election (in June, Riau Province and West Java Province and others), and plunging into the headquarters of police by a motorcycle by husband and wife (in July, West Java Province).

In Afghanistan, although ISIL-affiliate organization received fierce attacks by the "Taliban" and the security forces in Jowzjan Province in the north and lost its force in the said region (in August), it still maintained its force in some parts of the southeast and the east of the country and showed off its capability to conduct terrorist attacks, such as in the capital city of Kabul and other places; it successively executed a suicide bomb attack using a vehicle disguised as an ambulance (in January), and a suicide bomb attack on Shiite mosque (in August), giving rise to a large number of casualties.

In Pakistan, ISIL-affiliate organization used other radical organizations acting in the country as the source of supply of personnel, and caused terrorist attacks one after another, primarily in the Baluchistan Province in the southwest, targeting Shiites and other ordinary citizens.

In Tadjikistan, an assault incident targeting tourists from Western countries occurred in Khatlon Province in the south (in July), and a statement of claiming the responsibility by ISIL was issued for the first time in cases in Central Asia, and a video was released in which the five persons who were supposed to be the perpetrators pledged loyalty to ISIL and released a video that gave advance notice of the attack.

In these regions, threats of ISIL-related terrorist attacks are still in a serious situation, and there is concern in the future over of the proliferation of threats by foreign fighters and others, as well as spreading of influence of ISIL in areas such as Central Asia.



Part of the article in 140th Edition of Arabianlanguage weekly magazine 'Al Nabaa' of ISIL

Caution for collateral damage to Japanese continues to be required

Targeting the citizens of countries that joined the coalition to fight ISIL together, and for the purpose of producing as many victims as possible, ISIL has been aiming for execution of terrorist attacks targeting such soft targets as event halls, tourist sites and public transportations, and the statement attributed to its supreme leader Abu Bakr al-Baghdadi urged continued executions of terrorist attacks in Western countries and the rest of the world (in August).

The majority of the Japanese victims in recent years are not the result of the attacks targeted directly at Japanese interests or the Japanese people, but the result of entanglement in terrorist incidents upon soft targets, and therefore caution will continue to be necessary in Western countries as well as Southeast Asia where many tourists would visit and a significant number of Japanese companies base their business operations.

COLUMN

The "family terrorism" occurred in Indonesia

On 13-14 May, in Surabaya of East Java Province of the western Indonesia and its suburban areas, suicide bombings and explosions by 3 families happened in succession (ref. appended table below). The father of each family was reported to be either a local leader or a member of "Jamaah Ansharut Daulah" (JAD), which was an ISIL's supportive organization.

The three families used to hold regular meetings and taught their children radical thought by showing them radical propaganda videos, and some children were prohibited from attending school, presumably for the reason of avoiding the influence of the general society and leak of secret, which suggests that they were carefully preparing for the execution of the "family terrorism" involving the all members of the families.

On the other hand, ISIL not only did not positively

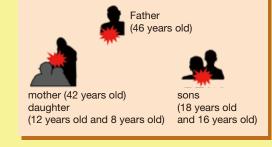
recommend "family terrorism," but also did not make any reference to the fact that children and their mothers were included in the executing entity. Also, Aman Abudurrahman, the founder of JAD (currently in jail) mentioned that "it was impossible for anyone who understands the teaching of Islam and the obligation of jihad," to denounce the said terrorist act, and pointed out that the perpetrators and those who praised it "have dissatisfaction with their lives and are mentally sick." This suggests that ISIL and its supportive organizations are not necessarily in favor of "family terrorism."

However, there are some ISIL supporters who expressed approval of "family terrorism" on Internet, and there is concern about possible occurrence of similar terrorist acts irrespective of the intention of ISIL.

< Appended Table > Progress of Incident

May 13 6:30 a.m. - about 7:50 a.m. First incident occurred Six members of a family were divided into 3 ways (diagram on the right),

and committed suicide bombings at 3 places of a Christian church in Surabaya. All members of the family and a dozen of attendees of Sunday mass died.



about 8:30 p.m. Second incident occurred May 13

> Bombing by mistake at an apartment in Sidoarjo in the south of Surabaya. Mother (47 years old) and daughter (17 years old) died; daughters (11 years old and 10 years old) were injured; father (47 years old) was shot to death on the spot. Son (15 years old), separately residing, did not participate.

about 8:50 a.m. Third incident occurred May 14 Suicidal explosions at a police station in Surabaya. Father (50 years old), mother (43 years old), sons (18 years old and 14 years old) died; daughter (7 years old) was injured.

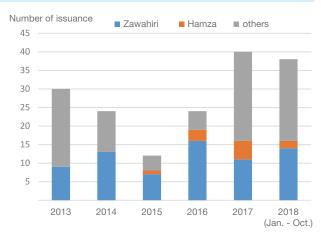
"Al Qaeda" intent on reviving its centripetal force, and "Al Qaeda" affiliate organizations continue terrorism in various regions

"Al Qaeda" kept active propaganda activities

Lately with "Al Qaeda," the supreme leader Ayman al-Zawahiri and Hamza bin Laden, a son of Osama bin Laden and a likely candidate for supreme leader of the future, and other people, successively issued statements, resulting in the number of statements in 2018 as about the same level as in 2017 when the largest number of statements were issued in the past 5 years. "Al Qaeda" seems to take the decline of "Islamic State in Iraq and the Levant" (ISIL), a competitor over the initiative of "global jihad," as a good opportunity to flaunt the presence of its own organization.

In these statements, Zawahiri identified the US as the primary enemy and called for fighting the US in every location (in March), and upon the move of the Embassy of the United States in Israel to Jerusalem, he called for "jihad" to the US and Western countries (in May). Furthermore, in order to face the Western countries, he emphasized the posture of "jihad" against the US by repeatedly calling for the solidarity of the Islamic community.

Also, Hamza criticized successive Saudi Arabian kings and the government of the country, by saying, "it allowed the occupancy of the site of "Twosaints mosque" (by the US), the stationing of troops



Number of issuance of statements by "al-Sahab," the official media arm of "Al Qaeda"

that assisted in murdering of tens of thousands of Muslims, and the exploitation of the wealth of the Islamic community, and has been creating a strong relation with the US" (in January and March).

"Al Qaeda" is expected to continue calling for attacks on the US and Western countries by taking every opportunity, and to strengthen the propaganda activities further by increasing supporters to its own organization in order to take the initiative of the "global jihad."

"Al Qaeda" affiliate organizations continued terrorist attacks in various regions

While "Al Qaeda in the Arabian Peninsula" (AQAP) based in Yemen was reported to have deteriorated propaganda capability, as seen in the suspension of distribution of its online organ journal in English "Inspire" since September of 2017, it continued terrorist attacks on security units and battle against Shiite armed insurgents, "Houthis" in Abyan Province and Al Bayda Province in the south.

Although "Al-Qaida in the Islamic Maghreb" (AQIM) based primarily in Algeria was reported to have slackening of activity in the country, it executed terrorist bombing targeting Algerian security authorities near the border with Tunisia (in February), and in Tunisia, an affiliate of AQIM executed multiple times of attacks targeting the security authorities. Also, "Jama'a Nusrat ul-Islam wa al-Muslimin," acting in the Sahara-Sahel region, had intensive activities and displayed its capability of conducting terrorist attacks, such as the bombing targeting French troops near the border with Niger in the east of Mali (in February) and the assaults on the military headquarters and the French Embassy in Ouagadougou, the capital of Burkina Faso (in

The "Al-Shabaab" based in Somalia, while having received mopping-up operations by the country's

national military, "African Union Mission in Somalia" and the US military forces, still executed terrorist attacks one after another by keeping the control over the non-urban areas of the south, such as, in the capital city of Mogadishu, car bombing near the presidential palace (in February), car bombing near a humanitarian aid organization (in March), suicide explosion using car bombing near a government office building (in July). Further, it was active also in the eastern part of Kenya, where it executed successive bomb attacks targeting security authorities.

In Syria, "Tahrir al-Sham" (HTS), consisting of radical Islamist groups and others, maintained certain

areas of control in Idlib Governorate in the northeast, while being attacked by the Assad administration's army, and continued attacks on the said army. Although HTS claimed to have no relationship with "Al Qaeda," it has been pointed out that there were some pro-"Al Qaeda" members in HTS, and in February, these members left HTS to form a new organization, and executed terrorist attacks on the Assad administration's army.

"Al Qaeda" affiliate organizations are anticipated to continue operating various terrorist activities, and further activating the terrorist operations by taking advantages of unstable conditions of their respective base areas of operation.

COLUMN

"Taliban" to continue attacks and the future of peace

Although the US dispatched about 5,000 more soldiers to Afghanistan pursuant to the "South Asia Strategy" announced in August of 2017, terrorist activities by "Taliban" are still active. In the country, "Taliban" and others are causing frequent bomb attacks and assaults on security authorities throughout the country, and the administrative districts that are controlled by or under the influence of "Taliban" are 52 counties out of the total of 407 counties of the whole country (as of November), which is about 16% increase compared to the number in January (45 counties).

Although the country was planning to have election of the Lower House of the Parliament in July, it was postponed to October, because they could not ensure the safety of over 40% of polling stations that were to be established throughout the country for the parliamentary election, due to the active terrorist activities by "Taliban."

In terms of peace in the country, since the breakdown of peace talks between the country's government and "Taliban" held for the first time in 2015, the momentum for peace has not risen yet. However, "Taliban" accepted the proposal for truce by President Ghani, who received an advice based on fatwa (religious decree) at the council of ulama (religious leaders) of the country and announced truce for 3 days following the end of Ramadan (in June), during which no terrorist attacks by "Taliban" were reported. In addition, the US that supported the government of Afghanistan also maneuvered for realization of peace and, while "Taliban" kept refusing to negotiate with Afghanistan government, a meeting of US government senior officials and two "Taliban" leaders was reported to have taken place in Doha, the capital of Qatar (in July), and in October, a spokesperson of "Taliban" acknowledged the meeting with a US government senior officials in Doha and issued a statement that "we had a discussion about the end of occupation (of Afghanistan by the US) and the peaceful resolution of the Afghanistan issues."

However, there has been no visible sign of proactive posture of cooperation toward peace in the "Haggani Network," which is the hardliners within "Taliban" having strong influence, and the supreme leader of "Taliban," Hibatullah Akhundzada, commented that, "we will accept the result of the negotiation only when it protects our goal (establishment of the ruling system based on Islamic law) and the sovereignty of the country, and guarantees the end of the war," thus it appears that realization of peace would still entail difficulties.

Trends surrounding cyber attacks

Threat of cyber-attacks becoming an everyday matter

A variety of cyber-attacks occurred in and out of Japan

In 2018, damages by cyber attacks were reported daily in and out of Japan, and the threat of cyber attacks became an everyday matter.

In Japan, skillful targeted attacks are continuously detected, such as the targeted email sent to university staff from a sender who pretended to be an official of the Ministry of Education, Culture, Sports, Science and Technology (in January), and the targeted email sent to the people related to ocean policy from a sender who pretended to be the Cabinet Office staff (in March) were reported. Cyber attacks aiming at virtual currency also occurred, as in the incidents where illegitimate access from outside was made to a virtual currency exchange operated by a Japanese company, causing illegitimate transfers of virtual currency to the outside (in January and September).

Aside from these cases, there were also cases of leakage of personal information held at companies, universities and others in Japan, as well as the cases in which official email addresses of the staff of Japanese governmental agencies were sold on Internet.

Outside Japan, at Pyeongchang Winter Olympic Game (in February, South Korea), the Olympic Organizing Committee disclosed that, at the opening ceremony, there was a connection problem with the internal Internet and Wi-Fi within the venue caused by cyber-attacks, and also it was reported that, during the FIFA World Cup in Russia (in June-July), there were about 25 million times of cyber attacks. The threat of cyber attacks intended to interfere with the safe opening of international events are on the rise.

Western countries pointed out with denunciation the involvement of national governments in cyber attacks

Since the end of 2017, the US government and others have pointed out the involvement of national governments in cyber attacks and denounced it by specifically naming the national governments.

With respect to North Korea, 6 countries including Japan and the US made simultaneous announcements that North Korea was involved in the major cyber attacks by the ransomware "WannaCry" that occurred all over the world (in December 2017). Also, the US Department of Justice prosecuted a person with the nationality of North Korea by alleging involvement in multiple cyber attacks by North Korea, and the US Department of Treasury designated the person and the company where he worked at as the subjects of sanctions (in September).

With respect to Russia, 5 countries including the US and the UK made simultaneous announcements that Russian military was involved in the major cyber

attacks by the ransomware "NotPetya" that occurred in June of 2017 in Ukraine and Western countries (in February). Also, 6 countries including the US and the Netherlands made simultaneous announcements that denounced the cyber attacks on international institutions and others by Main Intelligence Directorate of the General Staff of Russia's Armed Forces (GRU) (in October). In addition, the US took such steps as designation as the subjects of sanctions of Russian companies involved in cyber attacks, and prosecution of the people related to GRU and the relevant companies.

With respect to China, the US Department of Justice prosecuted 10 people including the Ministry of State Security officials and hackers for hacking into computer systems of US corporations, etc. aiming to steal technical information of aero-engines (in October).

With respect to Iran, the US Department of Justice prosecuted 9 people related to Iranian corporations for allegedly executing cyber attacks aimed at stealing intellectual property, etc., and the US Department of Treasury designated the said corporations and 10 people related thereto as the subjects of sanctions (in March).

Also, the US government stated, in "National Cyber Strategy" (Issued in September), that Russia, Iran and North Korea "are executing indiscriminate cyber attacks to the US and its allies," and also pointed out that China "is stealing intellectual property by cyber attacks."

COLUMN

Virtual currency and cyber attacks

In recent years, cyber attacks aiming to steal virtual currency have been detected in and out of Japan, and in Japan, two incidents occurred in which virtual currency was illegally transmitted to the outside from two virtual currency exchanges in the sums of 58 billion yen and 7 billion yen, respectively (in January and September), and in South Korea, it was reported that virtual currency drained away from two virtual currency exchanges (in June).

About the perpetrators of these incidents of virtual currency thefts, various possibilities have been pointed out, including the comment that "North Korea is obtaining illegitimate money by way of cyber attacks as it lacks money due to the heavy economic sanctions" (in October, a US think tank, Foundation for Defense of Democracies "Kim Jong Un's 'All-Purpose Sword' North Korean Cyber-Enabled Economic Warfare"). Also, because virtual currency can be remitted to other virtual currency exchanges and can be withdrawn as legal tender (Japanese yen, US dollar, etc.), some experts pointed out that the regulation setting is still at the developing stage, leaving the possibility of illegitimate conducts that take advantage of insufficient countermeasures, such as money laundering; therefore, vigilance is needed for whereabouts of the stolen virtual currency.

External Situation

Trends surrounding materials and other commodities for weapons of mass destruction

6

Activities aiming for acquisition and proliferation of materials and technologies that can be diverted to military use

North Korea may continue to develop nuclear and missile programs underground, requiring vigilance also for its proliferation of related materials and technology

In April, North Korea determined to suspend a nuclear test and test-launch of inter-continental ballistic missile (ICBM), close the Punggye-ri nuclear test site and prohibit the transfers of nuclear weapons and nuclear technology, among other matters, and in May, it disclosed to foreign media the explosion of facilities including the tunnels in the Punggyeri nuclear test site. It further announced that it was ready to close Tongchang-ri engine test site and Nyeongbyeon (Yongbyon) Nuclear Scientific Research Center (in September). However, it did not officially refer to suspension of manufacturing of nuclear weapons and ballistic missiles themselves, nor disposal of weapons of mass destruction and related technology that it currently possessed.

Under the circumstances, the US Secretary of State Mike Pompeo mentioned that North Korea was continuing manufacturing of nuclear fission material to be used as nuclear fuel (in July), and International Atomic Energy Agency (IAEA) also indicated its evaluation that "North Korea has not abandoned its existing nuclear program (in August). It was also

reported that North Korea was newly manufacturing ICBMs at the facility near in the suburb of the city of Pyongyang (the US paper "Washington Post," dated July 30). The possibility that North Korea is continuing the development and manufacturing of nuclear weapons and ballistic missiles behind the scenes cannot be denied, and continuing vigilance is required for the activities to procure the materials and technologies that can be diverted to the development of weapons of mass destruction and the like.

In addition, the final report by the Panel of Experts of the United Nations Security Council Sanctions Committee on North Korea (in March) pointed out that there was a possibility that proliferation of the materials and technologies related to weapons of mass destruction from North Korea to Middle Eastern region was continuing, such as North Korea's involvement in dispatching of ballistic missile technicians and shipping of materials that were convertible to development of chemical weapons to Syria.

Advance into overseas markets and acquisition of businesses by Chinese corporations activated, raising concern over technology leaks from advanced countries

While China is pushing forward the "military and civilian integration" policy that encourages civilian participation to the production of weapons and accessories as well as research and development of national defense science and technology, along with supporting of industrial technologies, advanced countries had concern over the possibility of leakage of technologies to China and their conversion to military use, prompting enforcement of regulations. The US in August enacted "Foreign Investment Risk

Review Modernization Act of 2018" (FIRRMA) that makes foreign companies' investments in critical infrastructure such as telecommunications the subject of the review by the Committee on Foreign Investment in the United States (CFIUS), and in October, restricted exports to China of nuclear civilian technology in order to prevent the conversion of said technology to military use. European countries also reinforced the regulations of investment by foreign corporations, and acquisitions of corporations

by Chinese companies were interrupted one after another in the UK (in June) and Germany (in July). Moreover, Australia took the measure in August to prohibit two Chinese telecommunications companies from entering 5G mobile networks. Against these moves, China toned up its reaction, saying, "Chinese investors should be treated objectively and fairly" (in August, spokesperson for the Ministry of Commerce), and "we suggest that Chinese companies be provided the fair competitive environment" (in August,

spokesperson for the Ministry of Foreign Affairs).

Having seen the reinforced regulations in Western countries, Chinese companies henceforth may possibly come up with more ingenious ways to acquire technologies or shift the targets to other regions, and the possibility cannot be denied that their approaches to Japanese corporations and research institutions possessing the technologies that can be converted to military use would be intensified.

Iran, while maintaining the nuclear agreement, promotes expansion of uranium enrichment ability and missile development, raising continuing concern over its activities for procurement and proliferation

On the nuclear issue of Iran, the US announced its withdrawal from the nuclear agreement made in July of 2015 between 6 countries including the US and European countries and Iran (in May), and reinstated economic sanctions against Iran that had been suspended pursuant to the said agreement (in August and November). Iran, on the one hand indicated its policy to maintain the agreement with 5 countries excluding the US but announced that it had started preparing to expand its uranium enrichment ability within the framework of the agreement as the "measure to prepare for the collapse of the agreement" (in June).

Although the US and European countries are demanding that Iran cease its development of ballistic missiles, Iran insists that it "will continue manufacturing and possession of missiles and weapons" (in May, President Rouhani), and continues its stance to promote the development, as seen when it has been pointed out that Iran test-launched shortrange ballistic missile "Fateh-110" near Strait of Hormuz (in August, a US think tank "Center for Strategic and International Studies 'CSIS' "), and it unveiled "Fateh Mobin," considered to be the improved version of the said missile (in August). Also, the final report of the Panel of Experts of the United Nations Security Council Sanctions Committee on Yemen pointed out (in January) that short-range ballistic missiles and others made in Iran flowed into the hands of Shiite armed insurgents "Houthis."

Iran has in the past illegally procured from the outside the materials and technologies needed for development of weapons of mass destruction that it could not secure within own country. The report of the UN Secretary-General regarding the United Nations Security Council Resolution 2231 (in June) pointed out that vessels heading for Iran loaded with materials that could be converted to nuclear development, among others, were captured by United Arab Emirates authorities (in 2016 and 2017), and that the advanced material of carbon fibers, etc. were illegally shipped to Iran (in 2017). As such, there still is concern over Iran's activities for procurement and proliferation of the materials and technologies that can be converted to development of weapons of mass destruction and others.

COLUMN

North Korea plans to acquire foreign currencies by sale of materials relating to weapons of mass destruction

Successive cases have been perceived in recent years in which North Korea appeared to have attempted exporting materials and technologies relating to weapons of mass destruction.

Australian Federal Police (AFP) arrested a South Korean man in December of 2017 on a charge that he was involved in the sales brokerage of missiles and related parts and technologies directed to overseas organizations from North Korea. The missile parts that he intended to broker the sale were said to have included those related to missile guidance system as well. AFP is also investigating the man on a charge of attempted illegal exporting of coal of North Korea to Indonesia and Vietnam, and suspects that the man was working to raise funds as an "agent" of North Korea.

Also, Institute for Science and International Security (ISIS), a US think tank, alleged in its multiple reports since 2017 that North Korea attempted sale of the materials convertible to nuclear development to foreign countries, and pointed out the following:

-- There is a possibility that North Korea is manufacturing lithium 6 (raw material for tritium that is used as fuel for nuclear fusion) at the factory located in the east, and it also attempted sale of lithium 6 on Internet (the report "North Korea's Lithium 6 Production for Nuclear Weapons," dated March 17, 2017).

--North Korea is deemed to be constructing a new factory for manufacturing high-purity graphite (to be used as the moderator of nuclear reactor) near the border with China, and also, in the past several years, had been distributing to the outside Englishlanguage publicity material for the purpose of selling high-purity graphite for nuclear reactor (the report, "Chongsu Nuclear-Grade Graphite Production Plan? North Korea may be proliferating controlled nuclear goods," dated April 20, 2018).

While promoting development of weapons of mass destruction, North Korea is assessed to be cultivating the techniques to manufacture these dualuse (military and civil use) materials and using them to acquire foreign currencies. Also, if they are sold to the countries of concern, there is a fear of them leading to the proliferation of relevant materials and technologies. There is a possibility that North Korea would continue the attempts of the aforementioned kind, and it is necessary to remain fully vigilant against



Aum Shinrikyo

1-1

Aum Shinrikyo maintains dangerous traits even after the execution of Asahara and others

Nationwide on-site inspections were conducted following the execution of death penalties of 13 persons including Asahara

Aum Shinrikyo (a cult group) continued its activities in 2018, centered around groups; namely, "Aleph," the group that expressly emphasizes absolute faith in Chizuo Matsumoto, also known as Shoko Asahara, who was the mastermind behind the subway sarin gas attack and other incidents; "the group led by Yamada" (note 1), which keeps a degree of distance from "Aleph" while firmly maintaining the absolute faith in Asahara (the above two groups are the mainstream group); and the group called "Hikari-no-Wa" (Joyu group), that pretends to erase the influence of Asahara in order to evade surveillance disposition.

Under the circumstances, the Ministry of Justice executed penalties on 7 inmates of the cult group members sentenced to death including Asahara on Jul. 6, and another 6 inmates on Jul. 26 (note 2).

On the day of execution of Asahara, Public Security Intelligence Agency (PSIA) set up a special intelligence task force to stand ready for information collection and analysis and conducted sweeping on-site inspections at 30 facilities of the cult group throughout the country until Jul. 12, and at 12 more facilities of the cult around the country on Jul. 26. These sweeping on-site inspections confirmed that the cult groups were still under the influence of Asahara, as indicated by continued display of Asahara's portraits at the mainstream group, and Buddhist paintings that are germane to Asahara at the Joyu group.

(Note 1)

For"the group led by Yamada," the name of an executive follower was used because the group does not use any specific name of its own.

(Note 2)

Executed on Jul. 6: Chizuo Matsumoto (Shoko Asahara), Kiyohide Hayakawa, Yoshihiro Inoue, Tomomitsu Niimi, Masami Tsuchiya, Tomomasa Nakagawa, Seiichi Endo

Executed on Jul. 26: Kazuaki Miyamae (Okazaki), Masato Yokoyama, Satoru Hashimoto, Yasuo Koike (Hayashi), Toru Toyoda, Kenichi Hirose

The Public Security Examination Commission acknowledged the dangerous nature of the cult group and decided to extend the surveillance period

PSIA has been conducting surveillance disposition of the cult groups since February 2000, based on the Act Regarding the Control of Organizations Which Committed Indiscriminate Mass Murder (the Act on the Control of Organizations), and in November 2017, it submitted a request to the Public Security Examination Commission to extend the surveillance period for the 6th time.

Upon receipt of the request, Public Security Examination Commission decided on Jan. 22 to approve the extension of the surveillance period for 3 years (expiring on Jan. 31, 2021), having certified

that there was even now a fact to indicate the danger that the cult group may resort to acts of indiscriminate mass murder, and that it was necessary to continue revealing the status of activities.

On this decision, "the group led by Yamada" and "Hikari-no-Wa" each filed an action to seek its rescission.

With respect to the actions to seek rescission of the ruling for the 5th extension of the period (filed by "Aleph" and "Hikari-no-Wa," respectively), an appeal trial is pending in each case.

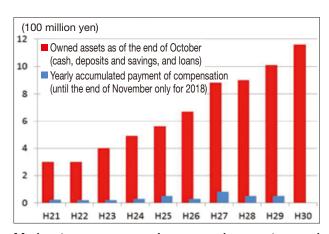
Increase of assets and base facilities

The cult group has about 1,650 followers in Japan and about 460 followers in Russia.

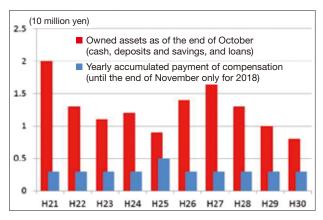
As for the assets of the group (cash, deposits and savings, and loans), the total amount exceeded 1.1 billion yen as of the end of October, after having continuously acquired funds such as day-to-day offerings of its followers and participation fees of "intensive seminars" for lay followers. On the other hand, the mainstream group made no payment for compensation for damages to victims and surviving

families of both sarin gas attacks in Matsumoto and subway system, and Joyu group paid no more than approximately 2.8 million yen (total from January to November).

With respect to the cult group's facilities, as Joyu group acquired a base facility in Hokkaido (Sapporo East Facility) for the first time (in June), and thereby the total number of domestic base facilities of the cult group became 35 sites in 15 prefectures.



Mainstream group's owned assets and accumulated payment of compensation of each year



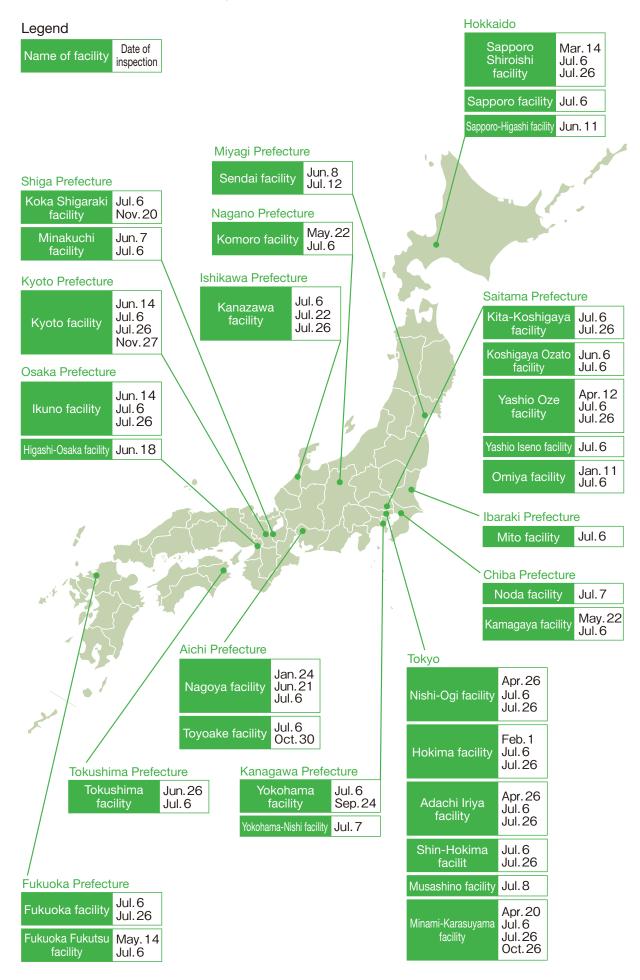
Joyu group's owned assets and accumulated payment of compensation of each year

Proper and strict surveillance enforced

PSIA mobilized roughly a total of 1,020 of its officers and conducted on-site inspections of facilities covering a total of 68 sites in 15 prefectures since January through the end of November (including nationwide sweeping on-site inspections at the execution of death penalty of Asahara et al). Also, in 2018, PSIA collected reports from the cult group of its current state of organization and activities every

3 months for 4 times and provided 50 pieces of the information obtained from these reports and results of on-site inspections to Tokyo, Hokkaido, 3 prefectures and 17 municipalities and divisions. In addition, PSIA conducted a total of 47 times of public meetings with local residents in 21 regions between January and the end of November in order to dissipate the fears and concerns held by the residents.

Facilities where on-site inspections were conducted (January – November 2018)



Exhaustive guidance to inculcate absolute faith in Asahara, and continuous recruitment activities

"Aleph," as in the past years, provided guidance to inculcate absolute faith in Asahara through such events as "intensive seminar" for lay followers (in January, May and September) and" birth festival" that celebrated Asahara's birthday (in March). Amid these moves, 7 members of the cult group who had been sentenced to death were transferred from Tokyo Detention House to another detention facilities (on Mar. 14-15). It made the group to be alarmed that Asahara's execution was approaching, and, since April, it intensified the guidance to the followers by directing implementation of studies called "memory training of guru" using DVD that preaches the greatness of Asahara and the necessity to pray for prolonging of life of Asahara, as well as Asahara's books, and controlling its progress status.

After the execution of Asahara, it provided thorough guidance to the followers designed to inculcate absolute faith in Asahara in the same manner as he had been alive, by such ways as having the followers watch a video of an abstract of Asahara's sermons referring to continuing relationship between Asahara and the followers after the death of his own by saying, for example, "even after I am gone, I will continue preaching from astral (note)", and implementing the aforementioned

"memory training of guru" after deleting the teaching material referring to prayer for prolongation of the life of Asahara.

Further, even after the execution of Asahara, "Aleph" conducted systematic recruitment as in the past, placing it as "important activities to realize the 'salvation of sentient beings'" preached by Asahara. Specifically, the group recruited new followers by reducing their resistance to the cult through approaches to general public by talking to them on a street or using SNS, in a manner that hid the religious nature, and inducing them to join yoga classes and study meetings, concealing the name of the group, and thereafter gradually inculcating Asahara's teachings. As a result of these efforts, the group acquired nearly 100 new followers in 2018.

"The group led by Yamada" that keeps a degree of distance from "Aleph," continued its activities after the execution of Asahara, like "Aleph", to firmly maintain absolute faith in Asahara, such as executive followers holding study meetings using Asahara's preaching.

(Note)

This is what the cult explains to be the world of another dimension to which spiritual counterpart to the physical human body will go.

Growing tendency to hope for the return to the cult group of Asahara's second son

Since October 2013, there had been internal friction at "Aleph" among its executive members, starting with moves by Asahara's wife who tried to bring back to the cult's activities the second son of Asahara whom Asahara had named as the successor, and Asahara's third daughter and others who were opposed to it. To deal with it, the Joint Meeting, which is the decision-making body of "Aleph," successively "expelled" or "temporarily suspended membership" of some executive members who sided with the third daughter from May 2014 to May 2018. As a result, the internal friction seemed to have calmed down, and the executive members who hoped

for the return of the second son strove for stabilization of the organizational management.

Under these circumstances, while "Aleph" endeavored to foster the receptive mind for the second son's return such as with the convening of the "birth festival" commemorating the birth of the second son, in which over 370 followers gathered in various facilities (in March), after the execution of Asahara, the expectation for the second son's return to the cult group as the "second guru" became more pervasive, as executive members guide the followers by saying, "he will return if you strongly ask for it" and "please entreat him to return to the group."

COLUMN

Moves of Asahara family surrounding the execution

Asahara's third daughter had been asserting in her own blog and others that Asahara could not be executed because he was in a state of insanity due to psychiatric disorder, while his fourth daughter was asserting in her books and others that Asahara had no psychiatric disorder, creating a conflict of opinions.

Amid these circumstances, Asahara's execution was carries out on Jul. 6. Regarding Asahara's remains, the fourth daughter expressed her intention to receive them by stating, through her agent's blog, "With respect to the last word of the former death-row convict Matsumoto, I myself was very surprised, being designated for it. But I will accept it as it must have been my father's last

message" (" 'Wonder of being alive; wonder of dying'- Diary of a lawyer" \(\text{https://sky.ap.teacup.} \) com/takitaro/> dated Jul. 9).

On the other hand, Asahara's wife submitted a written "Request" to the Minister of Justice et al. requesting handing over the remains to her, with cooperation of her third daughter and others whom she was once in conflict with, in which she argued that," it is impossible for him to designate any particular person for receiving the remains."

The claims of both parties remain far apart, and there is a possibility that the conflict within the Asahara family over Asahara's remains would continue for the time being.

1-3

Joyu group purports to "break away from Asahara," with no essential change

Emphasizing anew a breakaway from Asahara following his execution

In Joyu group, Fumihiro Joyu held a press conference on the day of the executions of Asahara and others and commented on Asahara that "I have no particular sentiment as I used to have," and "(I myself am) a traitor because I have been criticizing him." Joyu also appealed at talk events and SNS by saying, "I'd like to sincerely apologize again as an

executive member of the group at the time," and "we are providing guidance that is different from Aum," and an executive member of the group participated in an event held at a university and mentioned that "I escaped from the cult group that was a doodlebug's pit" (in September), to emphasize the "breakaway from Asahara" again.

Seminars and "pilgrimage to sacred places" continued

Joyu group, as in the past, held "intensive seminars" 3 times a year (in January, May and August), and repeatedly implemented "pilgrimage to sacred places" to visit shrines, temples and other sites that Joyu designated to be the sacred places, and in addition, Joyu and other executive members of the group traveled to Thailand to restart giving guidance to Russians in overseas that had been suspended since 2015.

At the "intensive seminar," Joyu, while

emphasizing "breakaway from Asahara" repeatedly, made comments that positively evaluate Asahara's psychic ability, such as, "Asahara had physical constitution susceptible to mysticism, with charisma to experience mysticism and the power to let others to experience it", and in the "pilgrimage to sacred places," he led the visits to the shrines and others that once were deemed the places associated with Asahara, suggesting that there has been no essential change in the group as yet.

Radical Leftist Groups

Radical leftist groups undertook a variety of activities

Kakumaru-ha concentrated its efforts on approaching public workers and core industrial unions

Kakumaru-ha (Revolutionary Marxist Faction of the Revolutionary Communist League) followed the previous year's efforts to acquire labor union members and developed activities focusing on approaching public workers and core industrial unions.

In the labor movement, Kakumaru-ha criticized the union officials around the venues of May Day rallies (in April and May) sponsored by Japan Trade Union Confederation (Rengo), National Confederation of Trade Unions (Zenroren), and National Trade Union Council (Zenrokyo), saying that, "the labor noblemen who boss the large corporation unions around are obediently accepting the deceptive offer in the 'Wage Reform' at the Spring Offensive with a meager raise of 1,000~2,000 yen range made by monopolistic capitalists," and urged participants to the rallies to "win the battle by using May Day as the occasion for the General Rally to overthrow the Abe neofascist administration, and by mobilizing all our resources of workers, students and the people around the country." Further, this faction distributed bills around the venue of "11th Regular National Convention" (in June) of Japan Postal Group Union (JP Union) to accuse the headquarters of the said union with such comments as, "impeachment of the headquarters of JP Union that sinks into the theory of labor-management community with shared fate," and around the venue of "Educational Research National Convention 2018 in Nagano" (in August) of the All-Japan Federation of Teachers' and Staff's Unions (Zenkyo), the faction called to "fight and impeach the Zenkyo headquarters that instigates the Ministry of Education-version of the Working Style Reform."

The JR East labor union, which the faction's activists had pervaded significantly enough to exert their influence, caused over 30,000 members to secede from the union at the Spring Offensive this time, in which struggle tactics including the exercise of right to strike were set out, and summed up by calling it a "major defeat" in "36th Regular Convention" (in June), although the faction did not express any view in its organ paper or others.

At the front of the grassroots movement, Kakumaru-ha advocated "opposition to the constitutional amendment," and the activists participated in the protest activities held by the opposition force to the constitutional amendment around the national Diet and other places around the country (in January to October), conducted "Workers and Students' United Movement" (in October), and called to "stop submission of Liberal Democratic Party's bill to amend the constitution." In addition, regarding the "bills relating to work-style reform," Kakumaru-ha conducted activities to obstruct the passing of the bills around the Diet (in June), and called for "obstruction of voting on the 'bills relating to work-style reform" and "defeat the Abe administration."

At the front of the student movement, Kakumaruha's affiliate, the National Federation of Students' Self-Government Associations, conducted protest actions against deployment of CV-22 Ospreys in Yokota Airport (Tokyo) (in October) and called to "remove all Ospreys immediately" around the airport.

Chukaku-ha conducted anti-constitutional amendment movement and student movement

Chukaku-ha (Middle Core Faction of the Revolutionary Communist League) conducted various activities, asserting that "constitutional amendment is a big conversion to the 'country that goes to war" and urging to "stop the constitutional amendment with general strike and international solidarity, by reviving the fighting labor unions and student selfgovernment associations."

Chukaku-ha established a new anti-constitutional amendment movement group to deal with amendment of the constitution and held rallies and demonstrations to call for "bringing down Abe who is for constitutional amendment and war," and "stopping the motion for constitutional amendment in September by all means."

At the front of the student movement, Chukaku-ha conducted activities soliciting to freshmen in major universities nationwide. Also, at the University of Tokyo, the faction called together activists in and out of the university to "establish indomitable student base at the University, which is the heart of imperialist ruling class," and held a gathering to protest the regulation of billboards at other universities (in June) and to call for "restoration of rights to self-government of students." Also, Chukaku-ha's affiliate, the National Federation of Students' Self-Government Associations installed an activist of the University of Tokyo as chairman at the "79th Regular National Convention" (in September).

At the front of the labor movement, Chukaku-ha held rallies and protest activities in various regions centered on its affiliate, the "National Railway Motive Power Union, opposing the outsourcing of JR operations and other matters, as well as deemed the "bills relating to work-style reform" as "an assault to force death from overwork and to seize our solidarity" and conducted protest activities calling for the halt of its passing around the Diet. Also, in the labor rally and demonstration (in November), which Chukaku-ha placed as the culmination of its activities for the year, the faction called to "stop constitutional amendment and war."

At the front of the grassroots movement, Chukakuha held anti-war rallies and demonstrations in Hiroshima Prefecture and Nagasaki Prefecture (in August) where it called to "resist world war and nuclear war by solidarity of workers around the world," as well as took the deployment of CV-22 Ospreys in Yokota Airport (Tokyo) as the opportunity to conduct protest activities in Tokyo to "remove the military base" (in September). In addition, it convened rallies in various areas including Fukushima Prefecture, where it called to "fight together for realization of the society free of nuclear plant and war."

At the front of its activities relating to international solidarity, Chukaku-ha invited anti-base activists and others of South Korea to the "International Anti-war Anti-nuclear Convention" convened by Chukakuha-affiliated executive committee (in August), and also invited union officials from South Korea to the "Tokyo-Seoul International Joint-Action" (in November), which was aimed for solidarity with overseas labor unions. In addition, activists of Chukaku-ha joined rallies that were convened in Seoul by labor unions of South Korea (in November).

Kakurokyo Kaiho-ha centered activities on anti-war, anti-base struggles and anti-Emperor system struggle

Kakurokyo Kaiho-ha Shuryu-ha (Mainstream faction of the Liberation Faction of the Revolutionary Workers' Association) took part in anti-war and anti-military base issues, anti-Emperor system as well as the struggle against Narita Airport, calling to "shutter the Japan-US Security Treaty, dissolve Japan-US imperialist army, abolish Emperor system." At the front of anti-war, anti-military base issues, its activists participated in gatherings and protest actions held in local places in Okinawa by the faction that opposed relocation of Futenma airport to Henoko. At the front of anti-Emperor system struggle, it conducted protest activities in Tokyo, at the occasions of the visit to Okinawa by the Emperor and Empress (in March) and their attendance to the "Hokkaido 150th Year Memorial Ceremony" (in August), calling to "shutter successions of Emperor, and abolish Emperor system." In the struggle over Narita Airport, its activists participated in rallies and demonstrations hosted by the Kitahara Faction of the Sanrizuka-Shibayama United Opposition League against the Construction of Narita Airport (in April, July and October).

Kakurokyo Kaiho-ha Hanshuryu-ha (Antimainstream faction of the Liberation Faction of the Revolutionary Workers' Association) engaged in such struggles as anti-war and anti-military base, anti-Emperor system, and anti-nuclear plant, calling for "explosion of nationwide anti-base struggle for dissolution of Japan-US military bases" and to "confront the intensified attacks of pro-Emperor system and to overthrow the Emperor system." In the anti-war, anti-base struggles, its activists participated in the gatherings and protest actions held in local places in Okinawa by the faction that opposed relocation of Futenma airport to Henoko and conducted protest actions in Shizuoka Prefecture (in May), Okinawa Prefecture (in July), and Hokkaido (in August), coinciding with the military drills of the US Marines in Okinawa. Also, it conducted protest actions around Self-Defense Forces bases, coinciding with planned dispatch of SDF planes to off the coast of Somalia (in July, August and October). In the anti-Emperor system struggle, it convened a gathering in Okinawa Prefecture (in March), upon the visit to Okinawa by the Emperor and Empress, to call for "overthrow of the Emperor system." In the antinuclear plants struggle, it organized demonstrations opposing the construction of the Oma Nuclear Power Plant (Aomori) (in August).

COLUMN

International solidarity of radical leftist groups

Radical leftist groups of Japan are striving to reinforce proactive relations with overseas groups and are also engaging in mutual dispatching of activists and joint activities. In 2018, JRCL (former Forth International faction) dispatched activists to the event that Fourth International, an international communist organization, held in the Philippines (in July), and the people related to the Japanese Red Army are continuing support activities for the members of the Japanese Red Army residing in Lebanon, in cooperation with the Popular Front for the Liberation of Palestine (PFLP) that the US Department of Sate designates as a foreign terrorist organization (FTO). Also, Chukaku-ha and Communist League's United Committee dispatched activists to the local struggles protesting the deployment of Terminal High Altitude Area Defense system (THAAD) to the US military base in South Korea by joining forces with Korean Confederation of Trade Unions (Minshu Roso) and others (Chukaku-ha: in February - March, Communist League's United Committee: in September), and also invited South Korean activists to anti-war rallies in Japan (Chukaku-ha: in November, Communist League's United Committee: in June).

Behind these moves apparently lies the intent to bolster their various activities and influence through international solidarity activities.

Internal Situation

The Japanese Communist Party (JCP)

JCP concentrated its efforts on expanding the party strength and criticism of the administration

Encouragement of expansion of the party strength

JCP put forward the policy to focus on expansion of the party strength, to achieve the goal of "recovering and exceeding the numbers of party members and the readers of daily edition as well as Sunday edition of its organ paper "Shimbun Akahata" at the time of the previous Upper House Election (in 2016) by the end of July of next year," which was set at the 3rd Plenary Meeting of the Central Committee (in December 2017) held at the "Party's annual new year meeting" (in January).

In February, JCP launched "JCP Supporter System" and started registration of members through Internet and SNS, as part of the effort to reinforce the activities of party supporters' association proposed at the 3rd Plenary Meeting. JCP explained the system as a way to "provide day-to-day information and facilitate two-way exchange and message transmission (for the members) by Internet and SNS." Subsequently, in June, JCP convened the 4th Plenary Meeting of the Central Committee and reported that there had been a continuous decrease of the number of its members for 10 consecutive months as well

as the number of readers of "Shimbun Akahata" for several consecutive months, and decided to set the period through the end of September as the "special months" for expansion of the party strength. In the "special months," JCP claimed that, in order to reach the goal, set out at the 3rd Plenary Meeting, it was necessary to increase over 16,000 in each of the party members and the readers of daily edition of "Shimbun Akahata," and over 83,000 in the readers of Sunday edition of "Shimbun Akahata." Further, In July, it started distributing the electronic edition of "Shimbun Akahata," aiming to reach out to wider range of

However, JCP announced at the 5th Plenary Meeting of the Central Committee (in October) that, as a result of the engagement in the "special months," it achieved the increase of no more than "4,355 new members" in terms of party membership, and as far as the number of the readers of "Shimbun Akahata," an increase of no more than "844 for daily edition and 6,691 for Sunday edition."

Developed criticism of the administration in and out of the Diet

JCP, this year again, continued criticism of the administration and went after the government in such matters as the sale of government-owned real estate relating to "Moritomo Gakuen," and the approval of establishment of a new department for veterinary medicine at "Kake Gakuen." It also developed criticism of the administration over the raising of consumption tax rate to 10%, the expansion of reception of foreign workers, and other issues.

Regarding the situation on the Korean Peninsula, Kazuo Shii, the Chairman of JCP, criticized that "the attitude of the government (toward North Korea) is the denial of dialogue and exclusively exerting pressure; the government should recognize that it has collapsed now" (in March). Further, upon the holding of the inter-Korean summit and the US-North Korean summit meetings, he asserted that "the administration used the 'threat' of North Korea as the biggest excuse for promoting 'the building a country that goes to war" (in June), and "in the Korean Peninsula issue, there was a historic change from confrontation to conversation" (in October), and regarding the deployment of land-based Aegis System (Aegis Ashore) to both Akita Prefecture and Yamaguchi Prefecture, and the move of Futenma Airport to Henoko, he criticized that "they only bring about harmful countercurrent to the flow of peace" (in October).

Right-wing Groups and Other Organizations

Right-wing groups and right-wing affiliated groups conducted activities focused on territory and abduction issues

Right-wing groups conducted activities centered on issues of territory, abduction and recognition of history

Since the inauguration of the second Abe administration in December 2012, right-wing groups have continued showing the tendency to turn their criticism toward neighboring countries, while restraining their stance of opposition to the Japanese government.

Regarding North Korea, while continuing propaganda activities in the streets to appeal for early recapturing of abducted Japanese people around facilities related to Chongryon (General Association of Korean Residents in Japan) in various areas, some right-wing activists caused a shooting incident at the Chongryon headquarters (in February, Tokyo) (judgment of Tokyo District Court <in October>: 7 years imprisonment). Also, upon the US-North Korean summit meeting (in June, Singapore), rightwing groups conducted propaganda activities in the streets in areas around the official residences of Japan's Prime Minister, the Liberal Democratic Party's headquarters, the US diplomatic missions in Japan, and the Chongryon headquarters, calling for "North Korea to immediately return the abducted Japanese people," and "the government to negotiate directly with North Korea without relying on the US President Trump."

Regarding China, considering that the entering surrounding waters and intrusion of Japan's territorial waters by Chinese government vessels around the Senkaku Islands had been repeated, right-wing groups conducted propaganda activities in the streets around Chinese diplomatic missions in Japan in various areas, at the occasions of Foreign Minister Wang Yi's visit to Japan for the Japan-China Ministers of Foreign Affairs meeting (in April, Tokyo) and Prime Minister Li Keqiang's visit to Japan for the JapanChina-South Korea trilateral summit (in May, Tokyo), calling China to "get out of the Senkaku Islands." Also, on the annual "Sep. 29 Anti-Communist China Day" (held on the date of the signing of the Japan-China Joint Statement), right-wing groups conducted propaganda activities in the streets as well as rallies and demonstrations in various areas, demanding "Communist Party of China to correct its distorted recognition of history."

Regarding South Korea, right-wing groups conducted propaganda activities in the streets around South Korean diplomatic missions in Japan, demanding South Korea to "stop illegal occupation of Takeshima," at the occasion of President Moon Jae In's visit to Japan for the Japan-China-South Korea trilateral summit (in May, Tokyo), as well as on the regularly convened "Feb. 22 Takeshima Day" (which Shimane Prefecture enacted as "Takeshima Day" by its local ordinance) and on "Oct. 28 Reclaim Takeshima Day" (the day South Korea rejected the submission of the Takeshima dispute to the International Court of Justice).

Regarding Russia, right-wing groups demanded Russia to "return the Northern Territories" in the propaganda activities in the streets around Russian diplomatic missions in Japan in various areas, during the visit of Sergey Lavrov, the Russian Minister of Foreign Affairs for the Japan-Russia Ministers of Foreign Affairs meeting (in March), as well as on the annually held "Feb. 7 Northern Territories Day" (the day the Treaty of Amity and Commerce between Japan and Russia was signed) and on "Aug. 9 Anti-Russia Day (the day when the Soviet Union abrogated the Soviet-Japanese Neutrality Pact and invaded places such as Manchuria).

Right-wing affiliated groups conducted activities claiming "antiimmigrants" as well as "anti-South Korea and anti-North Korea" stance

Right-wing affiliated groups, by taking up the issues of territory and recognition of history with South Korea and the issue of abduction of Japanese people by North Korea, mobilized their efforts from the beginning of the year to conduct propaganda activities in the streets around South Korean diplomatic missions in Japan and Chongryon-related facilities in various areas, demanding to "sever diplomatic relations with South Korea, the anti-Japanese nation" and to "recapture the abducted Japanese and dissolve Chongryon."

Also, a political group established by activists of right-wing affiliated groups took up the policy to expand the reception of foreign workers through creation of new status of residence incorporated in the government's "Basic Policies for Economic and Fiscal Management and Reform 2018" (Cabinet

decision in June) as the "de facto immigration policy," and conducted nationwide propaganda activities in the streets (in October, in 28 prefectures) holding up the slogan of "absolute opposition to the immigration policy that will destroy Japan!" In addition, the political organization decided official candidates for the upcoming unified local election in April 2019 and carried out street propaganda activities to call such as "suspension of payment of welfare to foreigners" and "immediate suspension of accepting immigrants."

Meanwhile, people criticizing right-wing affiliated groups as "racist" conducted protest activities in various areas against the groups' activities, including obstruction of entry of participants to a lecture meeting held by the group (in June, Kawasaki City), causing the lecture to be cancelled.

COLUMN

Trends surrounding the Emperor's abdication and the Crown Prince's enthronement

At the time of imperial succession from Showa to Heisei, radical leftist groups developed protest activities by calling the period between the "Rites of Imperial Funeral" performed at the demise of Emperor Showa (in February 1989) to the "Enthronement ceremony – Daijo-sai festival" held upon the enthronement of the current Emperor (in November 1990) as the "1989-1990 Emperor Battle." In particular, Chukaku-ha and Kakurokyo Kaiho-ha asserted that "guerrilla warfare is very thing that is the wisdom of the people to defeat the powerful foe," and caused many incidents such as metal-bullet shooting at Imperial Household-related facilities, and arsons at shrines, temples and railway facilities.

In the same period, right-wing groups conducted obstructions to the rallies and demonstration of left-wing affiliated groups that were critical of the Imperial Household, and incited shooting at the facilities of leftists' base, as well as shooting of Mayor of Nagasaki who commented on the Emperor's war responsibility.

Regarding the Emperor's abdication scheduled in

April of 2019, radical leftist groups made such claims in its organ paper as "the symbolic emperor system is, to the working class, the target to destroy along with imperialism by proletarian revolution" (Chukakuha's "Zenshin," dated Feb. 15), "let's destroy the attack of Emperor's succession aimed to reinforce and perpetuate the Emperor system" (Organ paper of the Mainstream Faction of the Liberation Faction of the Revolutionary Workers' Association "Kaiho," dated Jan. 1), "build up the broad united front for crushing the enthronement ceremony and abolishment of the Emperor system" (Organ paper of the United Communist League "Contemporary Revolution," dated Jul. 15), and vigilance is required henceforth for the trends of these groups.

On the other hand, regarding right-wing and right-wing affiliated groups also, there is a concern about possible occurrence of unlawful incidents induced by the actions of organizations and individuals who are critical of the Imperial Household such as the radical leftist groups.

Trends in domestic groups concerning events that drew social attention

Activities transcending faction line were developed to prevent the relocation of the US Marine Corps Air Station Futenma to Henoko

Repeated protest activities in Henoko, demanding stoppage of soil dumping

Over the construction of alternative facilities for Futenma Airport being underway at Henoko in Nago City, Okinawa Prefecture, as Okinawa Defense Bureau continued the sea wall construction as the first step of reclamation work, the Japanese Communist Party (JCP) and radical leftist groups claimed that "the forcible soil dumping is an extremity of lawlessness" (JCP), and "we will stop the soil dumping and crush the construction of new base in Henoko by both Japanese and the US governments," (Kakumaruha) and worked on protest activities transcending party-faction line and together with groups opposing the relocation to Henoko. In particular activists of radical leftist groups such as Kakumaru-ha repeated obstructive actions such as sit-in protest with antirelocation groups in front of the gate of Camp Schwab, the US Marine Corps base, and intrusion into the off-limits water area installed on the sea near the planned relocation site.

Supporting the expressed intent of Governor Onaga to retract approval of reclamation work, and endorsing anti-relocation candidates in various elections

In response to the declaration of Takeshi Onaga, the governor of Okinawa Prefecture, who made a campaign pledge to "not allow construction of new base in Henoko," to retract the approval of reclamation given by the former governor (in July), the JCP and radical leftist groups claimed that "we will adamantly and firmly support Governor Onaga's decision" (JCP), and "we adamantly support Okinawa Prefecture's retraction of the approval of reclamation" (JRCL < Japan Revolutionary Communist League: former Forth International faction>). Also, party members and groups' activists participated in such events as the "Never allow soil dumping! Aug. 11 Prefectural People's Convention to protect dugong / coral and to demand abandonment of construction of the new Henoko base" (in August) held in Naha City in opposition to Okinawa Defense Bureau's notice to

the Prefecture that it would begin dumping soil to the planned relocation site, and protest activities carried out in Tokyo and other places in coordination with the said Prefectural People's Convention.

Other than these, in a series of local elections held in Okinawa Prefecture, the JCP held a view that "the question of construction of a new US base is the decisive issue," and supported candidates who opposed the relocation to Henoko. Among these, the candidate Denny Tamaki whom JCP endorsed was elected in the election of prefectural governor held following the death of Governor Onaga (in September), and the JCP claimed that "they should accept the residents' intent expressed in the gubernatorial election and should immediately stop the construction of new base in Henoko, Nago City."

5-2

Developing criticism of the administration by taking up various bills

Developing opposition activities against various bills

Regarding the "Act relating to work-style reform" (enacted in June) and the "Integrated resorts (IR) Development Act" (enacted in July) that were approved by the Cabinet in April, protest activities opposing the bills were continued to be carries out around the national Diet and other areas.

Out of these laws, on the "Act relating to workstyle reform," the JCP's Diet members as well as party members joined the protest activities, asserting that "we absolutely cannot permit this grand 'make them work' law to change the matter worse," and urged to "discard this unprecedented bad law by all

means, by uniting our forces in and out of the Diet." Activists of radical leftist groups joined the protest activities by calling it "a historic change for the worse of labor law system" (Kakumaru-ha), and "an outrage of the capital that tramples on the pride of workers" (Chukaku-ha).

Also, on the "IR Development Act," the JCP criticized it as "an unheard-of bad law to make gambling addiction even more prevalent," and its Diet members as well as party members joined the protest activities.

5-3

Developing opposition activities on the deployment of Aegis Ashore and Ospreys

Opposition activities activated centered around the proposed sites for deployment

While the Ministry of Defense announced that Akita Prefecture and Yamaguchi Prefecture were the candidate locations for deployment of the land-based Aegis System (Aegis Ashore) (in May), and protest activities to oppose the deployment were developed in the surrounding areas, the JCP conducted activities to request the local governments of both prefectures to "express their intent to abolish the deployment plans," by claiming that "there is a concern about the influence of strong electromagnetic wave radiated at the time of radar operation," and "there is a risk of the facility becoming the target of attacks."

Also, in response to the deployment of CV-22 Ospreys to Yokota Airport by the US Forces in Japan

(temporary stop-by in April; deployed in October), the JCP's Diet members and others joined the protest activities of anti-deployment forces, by claiming that "the fact has proven that it is a dangerous military aircraft, and we adamantly oppose its deployment to Yokota in the Metropolitan area," and conducted request activities to require a retraction of deployment addressed to relevant governmental offices. Also, radical leftist groups insisted that "it will throw the Metropolitan area into the reality of being adjacent to war" (Chukaku-ha) and claimed that "we oppose deployment of Osprey to Yokota" around the US Embassy in Japan.

COLUMN

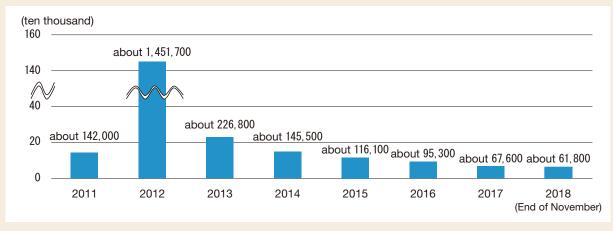
Current state of continuing anti-nuclear power plant movement

With the occurrence of nuclear accident at Fukushima Daiichi nuclear power plant on Mar. 11, 2011, the anti-nuclear power plant movement seeking a change of nuclear power plant policy arose all over the country, to say nothing of the local governments of the areas where nuclear power plants were located. Especially in the actions to seek abolition of nuclear power plant staged around the national Diet and other places the year after the accident (in 2012), not only the JCP's members and activists of radical leftist groups but also numerous general citizens participated, making the size of gatherings swell up to tens of thousands of people to give rise to an upsurge that was unprecedented in social movement of recent time.

Thereafter, as suspension of operation of nuclear power plants followed one after another, and although the participants to the anti-nuclear power plant movement drastically decreased, the movement had never died down, and the activities such as the protest actions on every Friday in front of the official residence of Japan's Prime Minister and protest rallies coincided with "Mar. 11" around the country continued to be held. Under such circumstances, the operations of nuclear power plants resumed from August of 2015, with 9 reactors in 5 plants of Ohi-Takahama (in Fukui Prefecture), Ikata (in Ehime Prefecture), Genkai (in Saga Prefecture) and Sendai (in Kagoshima Prefecture) were in operation as of the end of November 2018, and there were moves in the local governments of the areas where the plants were located, such as protest activities opposing the resumption of operations, and filing of lawsuits to seek ceasing of operation of nuclear power plants in various locations.

Cumulative total number per annum of participants in major anti-nuclear power plant rallies held in Tokyo

Calculated based on the numbers announced by organizers



Appendix

(Major Security Developments in Japan and Overseas from Jan. to Nov. 2018)

: International Incidents : Domestic Incidents

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25 th (Thu)	 Supreme Court dismissed the objection of Katsuya Takahashi, a former Aum Shinrikyo's senior member who was involved in 5 cases such as Tokyo subway sarin gas attack (finally decided upon life sentence by 26th).
26 th (Fri)	• A company that managed virtual currency exchange disclosed that virtual currency (NEM) worth about 58 billion yen was illegally remitted to the outside (on 26 th) by unauthorized access from the outside at the virtual currency exchange service operated by the company.
27 th (Sat)	 A suicide bomb attack using a car bomb pretending to be an ambulance took place around the entrance to Ministry of the Interior facility in Kabul, the capital of Afghanistan, killing at least 103 citizens and injuring 235. "Taliban" claimed responsibility.
30 th (Tue)	Prime Minister Medvedev of Russia signed a governmental decree to put the civilian airport in Etorofu of the Northern Territories to military and civilian dual-use.
Feb. 2 nd (Fri)	 Right-wing groups conducted propaganda activities in the streets against the "67th National Conference on Educational Research of the Japan Teachers' Union," calling to "crush the Japan Teachers' Union" (until Feb. 4; Shizuoka).
7 th (Wed)	Right-wing groups conducted propaganda activities in the streets to "reclaim the Northern Territories" on Northern Territories Day (nationwide).
8 th (Thu)	 North Korea held a celebration and military parade on the 70th anniversary of the founding of Korean People's Army (at Kim II Sung Square in Pyongyang). Displayed ballistic missiles that appeared to be ICBM class.
9 th (Fri)	 North Korea's Kim Yong Nam, the Chairman of the Presidium of the Supreme People's Assembly, and Kim Yo Jong, the First Deputy Director of the Party Central Committee, attended the Opening Ceremony of PyeongChang Winter Olympic Game. The First Deputy Director Kim handed an autograph letter from Chairman Kim Jong Un to South Korea's President Moon Jae In, on Feb. 10th, and requested President Moon's visit to North Korea. At the Opening Ceremony of PyeongChang Winter Olympic Game, a connection problem caused by cyber-attacks took place with internal Internet and Wi-Fi of the hall. Chinese Ministry of Foreign Affairs press secretary stated in a regular press conference that the message of condolences that Prime Minister Shinzo Abe sent (on 8th) on the earthquake occurred in Taiwan (on 7th) "openly created 'One China, One Taiwan' internationally in the name of relieving victims and expression of sympathy, and Chinese side is very unhappy about it."

11 th (Sun)	 Kakumaru-ha held the "General Rally of the Anger of Labor Workers" (in Tokyo). Right-wing groups held activities of worship at shrines and celebrated the "Empire Day" on National Foundation Day (nationwide). 	March 1 st (Th	President Putin of Russia made the State of the Union Address at the Upper House of the Federal Congress. Introduced new weapons intended to counter the missile defense (MD) system of the US.
15 th (Thu)	· US, UK and Canadian governments announced that Russia's military was involved in the major cyber attacks by ransomware "NetPetya" generated in Ukraine and other Western countries in June 2017. On the next day, Australian and New Zealand governments also made the same announcement.	2 nd (Fri)	 Armed group simultaneously assaulted the French Embassy and Army Headquarters in Ouagadougou, the capital of Burkina Faso, killing at least 8 soldiers of national army and injuring over 80. "Jama'at Nasr al-Islam wal Muslimin" (JNIM) issued statement claiming responsibility.
16 th (Fri)	• The US Department of Justice announced that it prosecuted 13 Russian individuals and 3 companies charging that they interfered with the 2016 US presidential election, and that 12 individuals out of the 13 were employed at "Internet Research Agency," a company located in St. Petersburg, Russia.	5 th (Mon))	 Chairman Kim Jong Un of North Korea met a group of envoys from South Korea's President (Head of the envoy: Chung Eui Yong, Director of the National Security Council in the Executive Office of the President) (Pyongyang). They made an agreement on holding inter-Korean summit meeting in the end of April, and North Korean side expressed intent on
17 th (Sat)	• Right-wing groups held propaganda activities in the streets against the "35 th Regular Congress of the All Japan Teachers and Staffs Union," calling to "crush the All Japan Teachers and Staffs Union" (until 18 th ; Tokyo).	oth (Th.)	denuclearization and US-North Korea dialogue (announced by South Korea). China held the 1st session of the 13 th National People's Congress in Beijing (until 20 th).
22 nd (Thu)	 Right-wing and right-wing affiliated groups conducted propaganda activities in the streets to "reclaim Takeshima" on Takeshima Day (designated by the ordinance of Shimane Prefecture) (nationwide). 	8 th (Thu)	 Chung Eui Yong, Director of the National Security Council in the Executive Office of the President of South Korea and others visited the US and conveyed to the US President Trump that Chairman Kim Jong Un proposed to hold a US-North Korea summit meeting. President Trump expressed that he would accept it.
23 rd (Fri)	 Joyu group of Aum Shinrikyo ("Hikari-no-Wa") filed a lawsuit at Tokyo District Court seeking rescission of the decision to extend the period of surveillance disposition (6th time) pursuant to the Act on the Control of Organizations. 	14 th (Wed)	 Ministry of Justice transferred 7 death row inmates of Aum Shinrikyo-related cases such as Tokyo subway sarin gas attack (Yasuo Koike [Hayashi], Kazuaki Miyamae [Okazaki], Masato Yokoyama, Tomomitsu
24 th (Sat)	· A suicide bomb attack by car bombs took place at the facility of anti-terrorism headquarters in Aden Governorate in south Yemen, followed by shooting attacks on the		Niimi, Yoshihiro Inoue, Tomomasa Nakagawa, Kiyohide Hayakawa) from Tokyo Detention House to 5 other detention facilities around the country (until 15 th).
	said facility by armed group, killing at least 6 members of the anti-terrorism corps and injuring about 40 people. The "Aden Abyan Province" of ISIL claimed responsibility.	15 th (Thu)	• The US Department of the Treasury's Office of Foreign Assets Control (OFAC) announced that it designated 5 organizations and 19 individuals of
25 th (Sun)	 Kim Yong Chol, the Vice Chairman of the Party Central Committee of North Korea, attended the Closing Ceremony of PyeongChang Winter Olympic Game. 		Russia as subjects of sanctions as a countermeasure to the destructive cyber attacks including the interference in the 2016 US presidential election and the cyber attacks using ransomware "NotPetya."
26 th (Mon)	· Communist Party of China held the 3rd Plenary Session of the 19 th Central Committee in Beijing (until 28 th).	16 th (Fri)	The US President Trump signed the "Taiwan Travel Act," and it was enacted into law.
26 th (Mon)	Right-wing groups held memorials, calling this day "February 26 Incident Day" (Tokyo, Okayama, etc.).	18 th (Sun)	Russian presidential election was held, and the incumbent President Putin was elected with the rate of votes obtained of 76.69% (voting rate: 67.54%).
28 th (Wed)	 China's Taiwan Affairs Office of the State Council announced "some measures regarding the promotion of cross-strait economic and cultural exchange and cooperation" ("31 articles on grace Taiwan measures"). 	21 st (Wed)	 Right-wing groups conducted propaganda activities in the streets calling to "reclaim the Northern Territories" on the occasion of the Japan-Russia Foreign Ministers meeting (Tokyo).

: International Incidents
: Domestic Incidents

23 rd (Fri)	 In Carcassonne of Aude Prefecture of southern France, a man stole a car and shot policemen, killing 1 and injuring 2. The man thereafter shot a gun randomly at a supermarket in Trev of the same Prefecture and barricaded himself by taking hostages, killing 3 and injuring 14. The US Department of Justice announced that it prosecuted 9 persons related to an Iranian company, "Mabna Institute," charging that they executed cyber-attacks 	16 th (Mon)	The US and UK governments announced a joint statement to warn about cyber attack activities by Russian government targeting network infrastructure equipment of the countries around the world, as a result of investigations by the US Department of Homeland Security (DHS), the US Federal Bureau of Investigation (FBI), and the UK National Cyber Security Center (NCSC). On the next day, Australian government also made the same announcement.
	targeting universities and others of 22 countries including the US and Japan under the entrustment of the Islamic Revolutionary Guard Corps (IRGC) of Iran. Also, the US Department of the Treasury's Office of Foreign Assets Control (OFAC) announced	20 th (Fri)	 North Korea held the 3rd Plenary Session of the 7th Central Committee of the Workers' Party of Korea (Pyongyang). Decided to focus on economic construction with all-out collective efforts as the new policy line.
25 th (Sun)	on the same day that it designated the said company and 10 interested individuals as subjects of sanctions. • Chairman Kim Jong Un of North Korea	22 nd (Sun)	 A suicide bomb attack aiming at a registration facility for voters took place in Kabul, the capital of Afghanistan, killing at least 57 citizens and injuring 100 others. "Khorasan Province" of ISIL issued a statement of responsibility.
25 th (Sun)	 visited China informally (until 28th). Right-wing groups conducted propaganda activities in the streets calling for "establishment of an independent constitution," upon the "85th Liberal Democratic Party Convention) (Tokyo). 	27 th (Fri)	Inter-Korean summit (at Peace House in Panmunjom). Chairman Kim Jong Un of North Korea and President Moon Jae In of South Korea signed the "Panmunjom Declaration for the Peace, Prosperity and Unification of the Korean Peninsula."
29 th (Thu)	Ministry of Foreign Affairs of Russia announced deportation of 60 US diplomats		Mainstream group of Aum Shinrikyo ("Aleph") held Golden Week intensive seminars (until May 6, Saitama etc.).
	staying in Russia and closure of US Consulate-General in St. Petersburg, as the countermeasures to the US actions such as expulsion of Russian diplomats from the	29 th (Sun)	 Right-wing groups offered prayers at the Musashino Imperial Mausoleum and conducted activities celebrating Emperor Showa on Showa Day (nationwide).
	country, carried out in connection with the "Skripal incident" occurred on March 4.	May 1 st (Tue)	China established diplomatic relationship with Dominican Republic.
Apr. 4 th (Wed)	 President Putin of Russia discussed the Syria's peace problem with President Rouhani of Iran and President Erdogan of Turkey in Ankara, Turkey. 		 Joyu group of Aum Shinrikyo ("Hikari-no-Wa") held Golden Week intensive seminars (until 6th, 12th -13th, 20th, Tokyo and other places).
8 th (Sun)	Boao Forum for Asia 2018 Annual Meeting was held in Hainan, China (until 11 th), and over 2,000 people from 63 countries and	3 rd (Thu)	 Right-wing groups conducted propaganda activities in the streets to "establish and independent constitution" on Constitution Day (nationwide).
	regions participated. President Xi Jinping delivered the keynote speech at its opening ceremony (on 10 th).	7 th (Mon)	 Chairman Kim Jong Un of North Korea visited Dalian, China (until 8th) Inauguration ceremony of Russian President was held, and the 4th Putin administration
9 th (Mon)	· Chairman Kazuo Shii of the Japanese Communist Party (JCP) had a talk with Prime Minister Shinzo Abe in the Diet, and		started. President Putin announced the Prime Minister Medvedev would remain in office.
	handed to him a request regarding the solution of nuclear and missile problem with North Korea, titled "Denuclearization and peace-building in an integrated and step-by-step manner" (Tokyo).		 The US President Trump announced the US withdrawal from the Iran nuclear agreement, and signed a presidential memorandum directing to reimpose economic sanctions that had been suspended pursuant to the agreement.
14 th (Sat)	 The JCP members and activists of radical leftists groups joined the protest activities to oppose enactment of the "law relating to work-style reform" (Tokyo). 		 Premier Li Keqiang of China visited Japan as a state guest (until 11th). On the 9th, he attended the 7th Japan-China-South Korea summit along with Prime Minister Shinzo
15 th (Sun)	Right-wing groups conducted propaganda activities in the streets calling to "defend the Senkaku Islands to the last," upon Japan- China Foreign Ministers meeting (Tokyo).		Abe and President Moon Jae In of South Korea and conducted Japan-China summit meeting with Prime Minister Abe. He visited Hokkaido from 10 th and attended the 3 rd Japan-China Governors Forum.

9 th (Wed) 12 th (Sat)	 Right-wing groups conducted propaganda activities in the streets calling to "defend the Senkaku Islands to the last" and to "reclaim Takeshima," upon Japan-China-South Korea summit meeting (Tokyo, Osaka). On a busy street near the Opera House in the central area of Paris, the capital of France, a man attacked pedestrians with a 	June 9 th (Sat)	• The 18 th summit meeting of Shanghai Cooperation Organization (SCO) was held in Shandong, China (until 10 th), which adopted "Qingdao Declaration" that incorporated such words as "to work in cooperation against protectionism policies." Before the meeting, President Xi Jinping of China had a talk with President Putin of Russia (8 th),
	knife, killing 1 and injuring 4.		Beijing).
13 th (Sun)	· In 3 locations of Christian churches in Surabaya of East Java Province in western Indonesia, suicide bomb attacks by all family members including members of "Jemaah Ansharut Daular" (JAD) and their wives and children took place, killing over 12 people and injuring over 40 others who were attending Sunday mass. ISIL issued a statement of responsibility.	11 th (Mon)	The US Department of the Treasury's Office of Foreign Assets Control (OFAC) announced that it designated 5 Russian companies and 3 Russian individuals as subjects of sanctions, charging that they brought threats to the security of the US and its allies by proving material and technical supports to Russia's Federal Security Service (FSB) in order to improve
15 th (Tue)	 Vice Premier Liu He of China visited the US (until 19th) to have discussions with the US Secretary of the Treasury, Steven Mnuchin and others. Both countries agreed that China would drastically increase imports of goods and services from the US. 		 the ability of cyber attacks and underwater technology of Russia. The JCP held the 4th Plenary Meeting of the Central Committee, and proposed the "special months to expand the party strength in the House of Councillors election
18 th (Fri)	 Ministry of National Defense of China announced that take-off and landing exercise of "Hong-6K" bomber was conducted in the South China Sea. 	12 th (Tue)	and unified local elections" (until Sept. 30) (Tokyo). • US-North Korea summit meeting
23 rd (Wed)	 Russia's First Deputy Minister of Defense Tsalikov, Deputy Minister of Defense Bulgakov, and Deputy Minister of Defense Ivanov visited Kunashiri and Etorofu Islands and reviewed the status of infrastructure development at the military posts. First Deputy Minister of Defense Tsalikov 	(,	(Singapore). Chairman Kim Jong Un of North Korea and US President Trump each agreed to commit to "complete denuclearization of the Korean Peninsula" and "guarantee of security" respectively and signed the US- North Korea joint statement.
24 th (Thu)	directed to complete the planned work by November. • Prime Minister Shinzo Abe visited		 Right-wing groups conducted propaganda activities in the streets calling for "resolution of the abduction problem," upon the US- North Korea summit meeting (Tokyo, Osaka,
	Russia (until 27 th). On 25 th , he attended Petersburg International Economic Forum		etc.).
	(St. Petersburg, Russia), and on 26 th , he met with President Putin in Moscow to discuss about joint economic activities in the Northern Territories and agreed on acceleration of work to materialize the	14 th (Thu)	 Russian government submitted to the Federal Congress a pension system reform bill centering on raising the pensionable age.
26 th (Sat)	businesses. •Inter-Korean summit (Panmunjom,	16 th (Sat)	· In Jalal-Abad, the capital of Nangarhar Province in eastern Afghanistan, a fighter
20 (Sat)	Tongilgak). Chairman Kim Jong Un of North Korea and President Moon Jae In of South Korea discussed about denuclearization and US-North Korea summit and others. China established diplomatic relationship with Burkina Faso.		of "Khorasan Province" of ISIL executed a suicide bombings among the crowd of people who were celebrating the temporary truce between the government and "Taliban" as well as the end of Ramadan, killing at least 36 people and injuring 60.
	 Chongryon held the 24th Congress (until 27th, Tokyo). Decisions were made on the policy of activities during the 4 years, and 	19 th (Tue)	Chairman Kim Jong Un of North Korea visited China (until 20 th).
	 personnel management of executives, including Chairman Ho Jong Man's stay in office. Right-wing and right-wing affiliated groups conducted propaganda activities in the streets calling for "dissolution of Chongryon," against the "24th Congress of Chongryon" (until 27th, Tokyo). 	22 nd (Fri)	• The Central Conference on Foreign Affairs Work was held for the first time in 3 years and 7 months (until 23 rd). General Secretary Xi Jinping delivered "important speech" to summarize his thought on socialism with Chinese characteristics for a new era and positioned developing countries as "China's natural allies on its international operations."
29 th (Tue)	 In Liege of eastern Belgium, a man assaulted a policeman to rob him of a gun and barricaded himself in a nearby school, killing 3 persons and injuring 4 persons. 	29 th (Fri)	Chinese navy's Anwei-class hospital ship navigated within the contiguous zone around the Senkaku Islands.

: International Incidents
: Domestic Incidents

July 6 th (Fri)	The US Secretary of State Mike Pompeo visited North Korea, and discussed denuclearization with Kim Yong Chol,
	the Vice-Chairman of the Party's Central Committee and others (until 7 th). North Korea accused the US "for making unilateral demand of denuclearization (comment of the press secretary of the Ministry of Foreign
	 Affairs of North Korea, dated 7th). China imposed additional customs duties on imports from the US in response to the imposition by the US of additional customs duties on imports from China (on the same day) (each country took the second additional customs duties measure on August 23, and the third on September 24, respectively).
	 The Ministry of Justice executed penalties on 7 inmates sentenced to death on Aum Shinrikyo-related cases such as Tokyo subway sarin gas attack (Chizuo Matsumoto<shoko asahara="">, Kiyohide Hayakawa, Yoshihiro Inoue, Tomomitsu Niimi, Masami Tsuchiya, Tomomasa Nakagawa, Seiichi Endo).</shoko>
7 th (Sat)	 At a government facility in Mogadishu, the capital of Somalia, suicide bomb attacks and assaults took place, killing 12 security authorities staff and government staff and injuring 18. "Al-Shabab" issued a statement of responsibility.
10 th (Tue)	 The 8th Ministerial Meeting of the China- Arab States Cooperation Forum was held in Beijing, China, and President Xi Jinping expressed offers such as loan extension of up to 20 billion dollars.
11 th (Wed)	 The JCP held Memorial Lecture on the 96th anniversary of founding of the party (Tokyo).
13 th (Fri)	 The US Department of Justice announced that it prosecuted 12 persons relating to the Main Intelligence Directorate of the General Staff of the Armed Forces of the Russian Federation (GRU) on charges that they interfered the 2016 US presidential election.
16 th (Mon)	 President Putin of Russia had a conference with the US President Trump in Helsinki, Finland.
20 th (Fri)	 Mainstream group of Aum Shinrikyo ("Group led by Yamada") filed lawsuit to seek rescission of the decision to extend the period of surveillance disposition (6th time) pursuant to the Act on the Control of Organizations.
25 th (Wed)	 Armed group executed suicide bomb attacks and assaults successively in As- Suwayda, the capital of As-Suwayda Governorate in southern Syria, killing 221 citizens and soldiers. ISIL issued a statement of responsibility.
26 th (Thu)	 President Xi Jinping of China had a conference with President Putin of Russia at the time of the 10th BRICS summit meeting (25th to 27th, Johannesburg, South Africa).
26 th (Thu)	The Ministry of Justice executed penalties on 6 inmates sentenced to death on Aum Shinrikyo-related cases such as Tokyo subway sarin gas attack (Kazuaki Miyamae [Okazaki], Masato Yokoyama, Satoru Hashimoto, Yasuo Koike [Hayahi], Toru Toyoda, Kenichi Hirose).

27 th (Fri)	The US White House announced that ashes of 55 of presumably US soldiers died in Korean War were returned from North Korea.
28 th (Sat)	· Rallies were held in all around Russia, sponsored by the Communist Party of Russia and others, to protest the government's pension system reform.
29 th (Sun)	In Khatlon Province in southern Tadjikistan, armed group drove a car into a group of tourists from Western countries as they were cycling, and assaulted them with guns and knives, killing 4 of the tourists, injuring 2 others. ISIL issued a statement of responsibility.
31 st (Tue)	· At a checkpoint in Lamitan of Basilan Province in southern Philippines, car bombing that seemed to be suicide bomb attack took place, killing at least 9 and injuring 5. ISIL issued a statement of responsibility.
August 3 rd (Fri)	· Joyu group of Aum Shinrikyo ("Hikari-no-Wa") held summertime intensive seminars (until 5 th , 11 th to 16 th , 19 th , Tokyo etc.).
6 th (Mon)	 Right-wing groups conducted propaganda activities in the streets, blaming the US of using atomic bombs on Atomic Bomb Day (Until the 9th; Tokyo, Hiroshima, Nagasaki and other prefectures).
8 th (Wed)	The US Department of State announced new sanctions against Russia, saying it "determined Russian government's involvement" in the "Skripal incident" that occurred in March.
9 th (Thu)	Right-wing groups conducted propaganda activities in the streets calling for the "return of the Northern Territories" during what it calls, "Anti-Russia Day" (nationwide).
11 th (Sat)	The JCP members and activists of radical leftist groups joined the "Never allow soil dumping! Aug.11 Prefectural People's Convention to protect dugong / coral and to demand abandonment of construction of the new Henoko base" (Okinawa).
13 th (Mon)	 The US President Trump signed the 2019 National Defense Authorization Act, and is was enacted. Iran disclosed "Fateh Mobin," that seemed to be the improved version of short-range ballistic missile "Fateh 110".
15 th (Wed)	 Head of the Secretariat Akira Koike of the JCP attended the Central Memorial Ceremony of "National Liberation Day of Korea" (sponsored by South Korea-aligned Korean Residents Union in Japan [Mindan]) (Tokyo). Right-wing groups offered prayers at the Yasukuni Shrine and other Gokoku shrines and joined the Memorial Service for War Dead on the day World War II ended (nationwide).
17 th (Fri)	 Right-wing groups conducted propaganda activities in the streets, calling for "Crush the All Japan Teachers and Staff Union" upon the Union's 2018 National Assembly for Educational Research (until 19th; Nagano).

20 th (Mon)	 North Korea and South Korea held an event for reunion of separated families (until the 26th, Mount Kumgang, North Korea). In 3 locations such as Grozny, the capital of the Republic of Chechnya in southern Russia, 3 assault cases including suicide bombings by minors took place, injuring at least 5 policemen. ISIL issued a statement 	12 th (Wed)	• President Putin of Russia proposed in the plenary meeting of "the 4 th Eastern Economic Forum" to conclude a peace treaty between Japan and Russia within the year without any precondition, and mentioned, "let's continuously solve all outstanding problems, as friends, based on the peace treaty."	
21 st (Tue)	of responsibility. China established diplomatic relationship with El Salvador.	14 th (Fri)	Mainstream group of Aum Shinrikyo ("Aleph") held autumn intensive seminars (until 17 th , 21 st - 24 th ; Hokkaido etc.).	
23 rd (Thu)	 Nikolai Patrushev, Secretary of the Security Council of Russia, had a conference with John Bolton, National Security Advisor to the US President, in Geneva, Switzerland. 	18 th (Tue)	 Inter-Korean Summit Meeting (until 20th; Pyongyang, North Korea). Chairman Kim Jong Un of North Korea and President 	
Sep. 1 st (Sat)	· Issuance of the "Hong Kong, Macau, Taiwan Residence Permit" officially started.		Moon Jae In of South Korea signed the "Pyongyang Joint Declaration of September" (on 19 th). North Korea expressed its	
3 rd (Mon)	• A summit conference of the 2018 Forum on China-Africa Cooperation (FOCAC) was held in Beijing, China (until 4 th), and governmental officials including 50 toplevel executives from 53 countries attended. President Xi Jinping expressed supports in the total sum of 60 billion dollars.		readiness to abandon the missile facilities in Tongch'ang-ri, as well as to abandon the Nyongbyon (Yongbyon) Nuclear Scientific Research Center as the additional measure to meet the "corresponding measures" taken by the US. Also, Defense Ministers of both countries signed an "agreement in military areas."	
5 th (Wed)	 At a sports facility in Kabul, the capital of Afghanistan, suicide bomb attacks and suicide car bomb attacks took place, killing at least 20 and injuring 70. ISIL issued a statement of responsibility. 	20 th (Thu)	A company that managed virtual currency exchange disclosed that virtual currency (Bitcoin) and others worth about 6.7 billion yen (revised to 7 billion yen on 21 st) was	
6 th (Thu)	 The US Department of Justice announced that it prosecuted a North Korean programmer who was a member of "Lazarus Group", a hacking group, charging that he 		illegally remitted to the outside (on 14 th) by unauthorized access from the outside at the virtual currency exchange service operated by the company.	
	was involved in multiple destructive cyber attacks that not only caused damages to computers around the world but also caused significant losses of data, money, etc.	22 nd (Sat)	 China signed a tentative agreement with Vatican about appointment of Bishops within China. In Ahvaz, the capital of Khuzestan Province in south-western Iran, armed group attacked military parade to commemorate the opening day of the Iran-Iraq War, killing 24 including soldiers of IRGC and injuring about 70. "Khorasan Province" of ISIL issued a statement of responsibility. 	
7 th (Fri)	President Putin of Russia discussed the peace issue in Syria with President Rouhani of Iran and President Erdogan of Turkey, in Tehran, Iran.			
9 th (Sun)	 North Korea held a celebration and military parade on the 70th anniversary of the establishment of the government (at Kim II Sung Square in Pyongyang). No ballistic missile was displayed. 	24 th (Mon)	China published a white paper titled "Facts and China's position on China-US economic and trade friction with US."	
	 Russia's unified local elections were held. Supporters of Aleksei Navalny, an activist of an opposition party, conducted protest rallies against pension system reform. 	29 th (Sat)	 Right-wing groups conducted propaganda activities in the streets calling to "defend the Senkaku Islands until the death" on what its calls, "Anti-Communist China Day." 	
10 th (Mon)	 In Tripoli, the capital of Libya, armed group broke into the head office of the national oil company to commit suicide bombings and assaults, killing 2 and injuring 10. ISIL issued a statement of responsibility. 	30 th (Sun)	 The US Navy's Aegis destroyer "Decatur" conducted the "Freedom of Navigation Operation" by navigating within 12 nautical miles of Gaven and Johnson Reefs in the Spratly Island in the South China Sea where 	
11 th (Tue)	• "The 4 th Eastern Economic Forum" was held in Vladivostok, Russia (until 13 th). Prime Minister Octainon, had a conference Russia for the Octainon, had a conference with Daniel and the Action of		China claims its sovereignty. The US Pacific Fleet announced on October 1 that a Chinese destroyer abnormally approached the US military ship doing the operation.	
	with President Putin on the 10 th , and with General Secretary Xi Jinping of China on the 12 th . Also, on the 11 th , President Putin and General Secretary Xi had a conference. • Major military exercise "Vostok 2018" was conducted in the East Military District of Russia (until the 17 th). China's military and Mongolia's military participated for the first time.	October 2 nd (Tue)	• In Nangarhar Province in eastern Afghanistan, suicide bomb attacks aiming at election rally of a candidate in the parliamentary Lower House election (20 th) took place, killing at least 13 policemen and civilians and injuring 30. "Khorasan Province" of ISIL issued a statement of responsibility.	

: International Incidents
: Domestic Incidents

4 th (Thu)	· Six countries of US, Netherlands, UK, Canada, Australia and New Zealand announced simultaneous statement denouncing the cyber attacks on international organizations and others by the Main Intelligence Directorate of the General Staff of the Armed Forces of the Russian Federation (GRU).
7 th (Sun)	Chairman Kim Jong Un of North Korea had a conference with the US Secretary of State Mike Pompeo (Pyongyang, North Korea). They agreed to create working-level discussion teams for early opening of the second US-North Korea Summit Meeting.
13 th (Sat)	• The JCP held the 5 th Plenary Meeting of the Central Committee (until 14 th , Tokyo), to summarize the "special months for expansion of party strength," and called on other opposition parties to begin the talk among the parties toward realization of the "framework of united front of opposition parties."
14 th (Sun)	 A political party established by activists of right-wing affiliated groups held propaganda activities in the streets calling for "opposition to immigration policy" (28 prefectures).
18 th (Thu)	• At a government facility in Kandahar Province in southern Afghanistan, armed group including the country's guards attacked commanders of US forces stationed there, killing the Province's Chief of Police and the Chief of the Provincial Bureau of the National Directorate of Security, and injuring the Province's Governor and 2 US military staff for a total of 3. "Taliban" issued a statement of responsibility.
20 th (Sat)	The US President Trump announced withdrawal from the Intermediate-range Nuclear Forces (INF) treaty for the reason of Russia's violation of the treaty.
25 th (Thu)	 Demilitarization of the Joint Security Area of Panmunjom (JSA) is completed based on the "agreement on military areas" (in September) between North and South Koreas. Prime Minister Shinzo Abe visited China (until 27th). He attended the reception of the 40th anniversary of concluding Japan-China Peace and Friendship Treaty on 25th, and on 26th, he had a summit meeting with each of Prime Minister Li Keqiang and with President Xi Jinping and also attended the Third-country Market Cooperation Forum.
28 th (Sun)	Right-wing groups conducted propaganda activities in the streets, calling for the "recovery of Takeshima" on what it calls, "Reclaim Takeshima Day."
30 th (Tue)	• The US Department of Justice prosecuted 10 persons including officials of China's Ministry of State Security as well as hackers, charging that they entered computer systems of aerospace corporations and others of the US and France, aiming for the information about turbo fan engine used for civilian aircrafts.
November 1 st (Thu)	 North Korea and South Korea ceased the hostilities against each other near the military demarcation line, based on the "agreement on military areas" (in September).

4 th (Sun)	· Chukaku-ha held the "National Laborers General Rally" (Tokyo).
6 th (Tue)	 Midterm election was held in the US, and while the Republican Party held the majority in the Senate, the Democratic Party obtained the majority seats in the House of Representatives.
9 th (Fri)	 China's Yang Jiechi, the Director of the General Office of the Central Foreign Affairs Commission, and Wei Fenghe, the Minister of National Defense, had a second dialogue on diplomacy and security with the US Secretary of State Mike Pompeo and the US Secretary of Defense James Mattis in Washington DC. In Melbourne, the capital of Victoria State in southeastern Australia, a man born in Somalia burned the car he was driving and assaulted pedestrians with a knife, killing 1 and injuring 2. At a hotel in Mogadishu, the capital of Somalia, suicide bomb attacks occurred one after another, killing over 50 persons and injuring over 100. "Al-Shabaab" issued a statement of responsibility.
14 th (Wed)	 Prime Minister Shinzo Abe had a conference with President Putin of Russia in Singapore. After the conference, Prime Minister Abe announced that they agreed to accelerate the negotiation for peace treaty based on the "Japan-Soviet Joint Declaration" (of 1956).
16 th (Fri)	 In Patikul of Sulu Province in southern Philippines, the force that seemed to pledge loyalty to ISIL within "Abu Sayyaf Group" (ASG) attacked the national military, killing 5 soldiers and injuring 23. ISIL issued a statement of responsibility.
24 th (Sat)	 Unified local elections were held in Taiwan, in which, out of 22 municipalities and counties, the ruling Democratic Progressive Party won 6, and the opposition Kuomintang won 15 local elections (1 independent).
28 th (Wed)	• The US Department of Justice announced that federal grand jury prosecuted 2 Iranians for a charge that they incurred damages to over 200 facilities such as hospitals and local governments in the US by cyber attacks.
30 th (Fri)	• President Xi Jinping of China had a conference with President Putin of Russia at the time of G20 Summit (until Dec. 1; Buenos Aires, Argentine).

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