

Japan Defense Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 71 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The Japan Defense Market is anticipated to register a CAGR of over 2.5% during the forecast period.

Due to the impact of the COVID-19 pandemic, Japan's economy shrank by 4.8% during the year 2020. However, despite the impact of the pandemic on the economy, the defense spending of the country increased by about 1.2% to reach USD 49.1 billion in 2020. This shows that there is an increased focus on the defense sector even during the pandemic. The increase in defense spending is due to the country's focus on bolstering its defense capabilities amid its tensions with countries like China, North Korea, and Russia. The Japanese government is highly focused on strengthening its defense capabilities due to the Russia-Ukraine war and the Chinese intimidation of Taiwan. Thus, increasing investment in enhancing defense capabilities and procurement of advanced weapons systems drive market growth across the country.

Japan is modernizing its defense arsenal, which involves upgrades in air and maritime defense systems as well as investments in space and cyber capabilities. In order to realize cross-domain operations, the armed forces are planning to acquire and strengthen capabilities in new domains, including space, cyberspace, and the electromagnetic spectrum by investing financial resources into the R&D of such systems, which is expected to drive the market growth.

Japan Defense Market Trends

An Increase in Defense Expenditure Will Drive the Market Growth During the Forecast Period

Japan is one of the top 10 countries globally in terms of defense spending. According to the Stockholm International Peace and Research Institute, the Japanese government spends USD 54.1 billion on its defense sector which showed a growth of 7.3 percent

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott-international.com

www.scott-international.com

from the previous year.

Furthermore, the country's National Defense Program Guidelines (NDPGs) and the associated Mid-term Defense Plan (MTDP) have also put a strong emphasis on three new defense domains in the country, namely, cyber, space, and electronic warfare (EW). In the defense budget of FY 2021, the Japanese government approved about USD 590 million for space-related projects, which include projects, procurement of Space Situational Awareness (SSA) Satellite (Space-based Optical Telescope), enhancing resiliency of satellite communication system, and others. Similarly, the cyber-related budget was about USD 270 million, which includes the establishment of the Japan Self-Defense Force Cyber Defense Command and spending on projects, like the procurement of a Cyber Information Gathering System and improvement of cyber protection analyzing devices and the defense information infrastructure. In the electromagnetic domain, the government is also planning to develop stand-off electronic warfare aircraft and a network electronic warfare system.

In addition, the country is also spending on the procurement and modernization of fixed-wing patrol aircraft, helicopters, fighter aircraft, destroyers, and submarines. Developments in such domains are expected to be propelled by the growth in defense expenditure, which is driving the growth of the Japan defense market.

The Air Force Segment Projected to Show the Highest Growth During the Forecast Period

The Air Force segment is expected to experience the highest growth rate during the forecast period. The growth is attributed to the various ongoing procurement plans for replacing the aging combat aircraft and expanding the fighter jet fleet. Japan plans to acquire 42 F-35Bs and a total of 157 F-35s. Japan's Ministry of Defense plans to allocate over 100 billion yen (about USD 905 million) in the fiscal 2022 draft budget for the acquisition of about 10 additional F-35A and F-35B stealth fighter jets.

The armed forces are focusing on enhancing capabilities in the air domain, with an enhanced focus on stand-off defense capability, comprehensive air, and missile defense capability, and deployment capability to effectively counter incoming threats. The country is also working on the development of the Mitsubishi F-X, a sixth-generation stealth fighter for the Japan Air Self-Defense Force. It is Japan's first domestically developed stealth fighter jet and will replace the Mitsubishi F-2 by the mid-the 2030s. In January 2022, the United States department of defense announced a contract worth USD 471 million with Boeing for the development of new systems for Japan Air Self-Defense Force's (JASDF) F-15 Eagle Super Interceptors fleet. Under the contract, 70 fighters will receive upgrades under Japan's Super Interceptor programme.

Furthermore, with the relaxation of Japan's strict arms export regulations, the Japanese Ministry of Defense (MoD) entered an agreement with the British government to develop, design, and procure next-generation air-to-air missiles. Such developments are envisioned to contribute to the growth of the Air Force segment during the forecast period.

Japan Defense Market Competitor Analysis

The Japan defense market is moderately consolidated in nature with the presence of a few prominent players in the market including Kawasaki Heavy Industries, Mitsubishi Heavy Industries, ShinMaywa Industries, Ltd, Japan Steel Works Ltd, and Toshiba Corporation. Despite a strong local manufacturing base, players in the country are currently facing stiff competition from their foreign counterparts for growing their businesses, especially from players from North America and Europe, even with a greater focus on local production and measures like the relaxation of Japan's self-imposed arms export ban policy.

In this regard, local defense giants are undertaking various initiatives and investing in the R&D of new defense systems to produce sophisticated products, thereby enhancing their competitiveness in the market. For instance, in March 2021, Mitsubishi Heavy Industries (MHI) and Japan's Ministry of Defense (MoD) concluded a research and prototype production contract to develop a next-generation mine-countermeasure solution. The growth of the local players is being supported by several defense projects

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

currently underway in the country. For instance, as many as 8 major Japanese defense industry firms are collaborating on the country's next-generation fighter jet program development. Such programs are expected to bolster the growth prospects of the players in the country.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

- 1.1 Study Assumptions
- 1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET DYNAMICS

- 4.1 Market Overview
- 4.2 Market Drivers
- 4.3 Market Restraints

5 MARKET SEGMENTATION

- 5.1 Armed Forces
 - 5.1.1 Air Force
 - 5.1.2 Army
 - 5.1.3 Navy
- 5.2 Type
 - 5.2.1 Personnel Training and Protection
 - 5.2.2 C4ISR and EW
 - 5.2.3 Vehicles
 - 5.2.4 Weapons and Ammunition

6 COMPETITIVE LANDSCAPE

- 6.1 Company Profiles
 - 6.1.1 Kawasaki Heavy Industries Ltd
 - 6.1.2 Lockheed Martin Corporation
 - 6.1.3 The Boeing Company
 - 6.1.4 BAE Systems PLC
 - 6.1.5 Raytheon Technologies
 - 6.1.6 Northrop Grumman Corporation
 - 6.1.7 Thales Group
 - 6.1.8 Mitsubishi Heavy Industries Ltd
 - 6.1.9 ShinMaywa Industries Ltd
 - 6.1.10 The Japan Steel Works Ltd
 - 6.1.11 Toshiba Corporation

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

6.1.12 Subaru Corporation

6.1.13 Komatsu Ltd

7 MARKET OPPORTUNITIES AND FUTURE TRENDS

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Japan Defense Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 71 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scott's-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scott's-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-01"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott's-international.com

www.scott's-international.com

