



Terrorism in Japan

Suckling on the bosom of (a false sense) of security

25th March 2016

Mike Newman



Can anyone recognise the person in this picture?

The girl next door

Most foreigners won't know her. Her name is Fusako Shigenobu. She looks harmless and sweet enough. The girl next door? She is actually the Japanese equivalent of Ulrike Meinhof. Shigenobu founded the Japanese Red Army (JRA) in 1971 at the tender age of 26. The JRA was responsible for a spate of hijackings, hostage takings, airport massacres and bombings in the 1970s and 1980s. It was closely aligned to the Popular Front for the Liberation of Palestine (PFLP). Although she claimed the group disbanded in 2011 it has since been renamed the Movement Rentai. Many are not aware another Japanese terrorist organisation bombed Mitsubishi Heavy Industries HQ in 1974. Aum Shinrikyo is perhaps the freshest in many memories for the 1995 sarin gas attacks on Tokyo's subway. Japan is a safe country to be sure but that does not mean it is immune to future attacks.

Brussels Airport attack

As the tragic news events of the Brussels attack unfolded last week, I was reminded of a recent trip to Hong Kong. The Cathay Pacific check-in counter at Haneda International Airport (Fig.1) had not opened. I was surprised to see that several passengers had left their bags unattended and probably gone off to have lunch or shop. I approached a young policeman (draped in 'anti-terrorism' arm-bands and badges on his uniform) who responded that if more bags were left unattended they might act. I suggested to him that a terrorist organisation would view Japan as a very soft target if security personnel turned an obvious blind eye. In any other country these bags would be immediately deemed suspicious, removed, checked and the passengers admonished for being so ignorant. With the 2019 Rugby World Cup and 2020 Summer Olympics approaching this was an international 'embarrassment' as far as airport security protocol went. Airports should be **zero** tolerance zones.

Haneda Airport security lax

Fig 1: Haneda International & unattended baggage

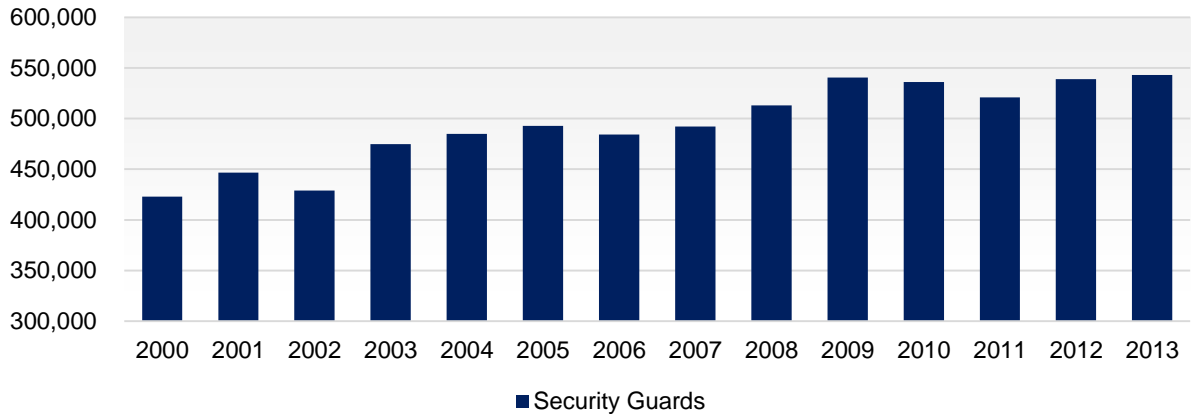




Security to be beefed up?

Post the Brussels attacks, the Japanese government spoke to beefing up security at airports, nuclear facilities, government offices and urged restaurants and stadiums to cooperate with police on any suspicious behaviour. Anti-terrorism signs have adorned office buildings since 9-11 and in spite of the supposed 'beefed-up' security, guards are often old(er) men (who could do with beefing up themselves) re-assigned from their desk jobs as part of the commitment to life-time employment.

Fig. 2 : Japanese Security Guards

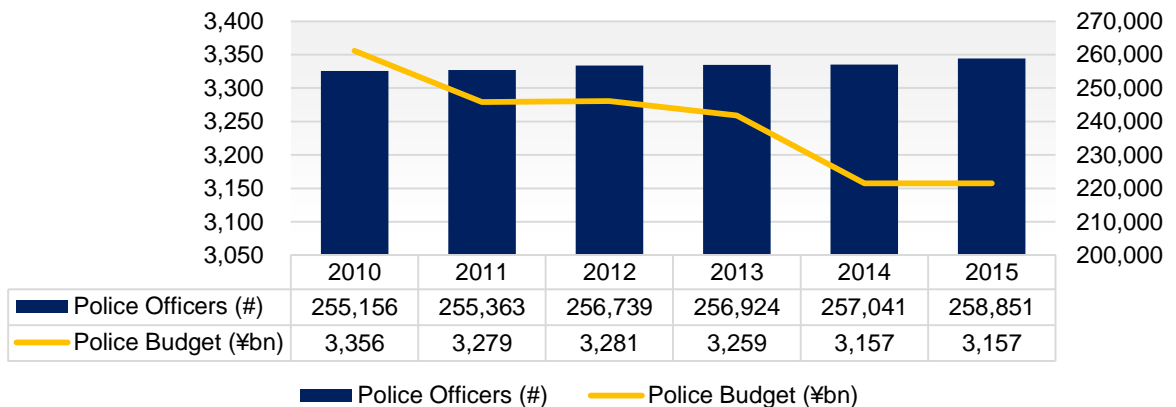


Source: All Japan Security Service Association

JNPA budget cut backs

The Japanese National Police Agency (JNPA) has also been the victim of budget cutbacks, Fig.3. Some 80% of the ¥3.2 trillion JNPA budget is spoken for by staff salaries. There are approximately 295,000 staff (including administration) but actual officer numbers have remained relatively stagnant at around 258,000. Although this number has grown from around 220,000 back in the 1990s. Clearly budget cuts coupled with staff increases impacts the budget for procurement of better surveillance and crime prevention equipment.

Fig. 3 : JNPA Budget & Officer trend



Source: Japan National Police Agency (JNPA)

JNPA retirees accelerating

The JNPA is also experiencing a higher number of retirees (Fig.4) versus the turn of the Century. While the decline has levelled off in recent years the rate of new graduates joining the force remains low. Although 14,000 people pass the police exams, not all end up joining the force. In fact the number of those taking the exam has fallen 38% over the last decade so matriculation rate has returned to the 14% mark (Fig. 5).



Fig. 4 : Retiring Police Officers

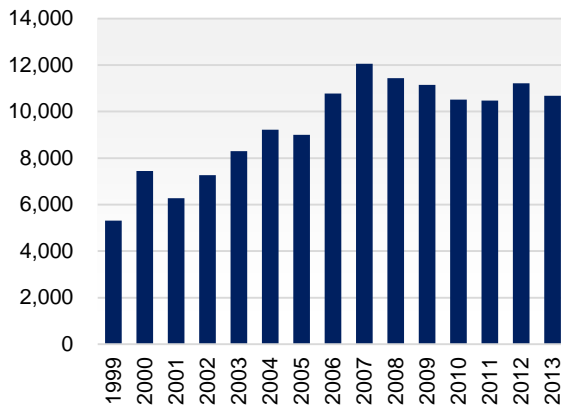
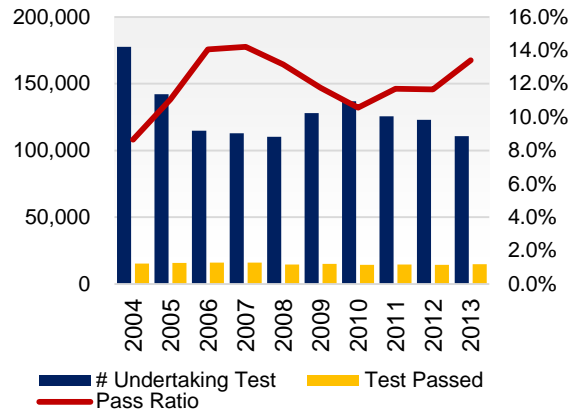


Fig. 5 : New Police Recruit Activity



Source: JNPA

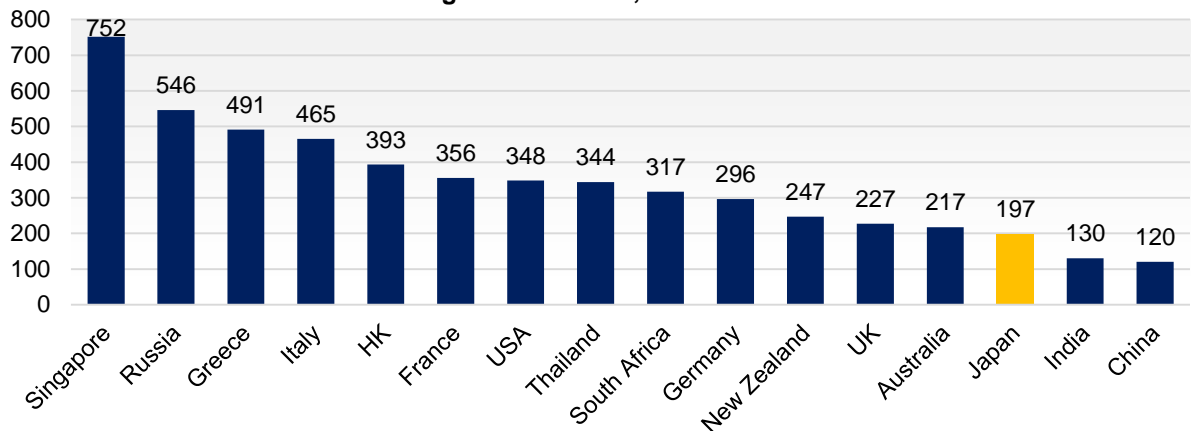
Fewer recruits

Should budgets remain under pressure, retiree trends maintain and new recruits stagnate, one wonders whether higher salaries will be required to maintain current levels or much less expand the force. The force is faced with a changing landscape which is less about chasing gangsters but stopping domestic violence, stalking and fraud. This is no small deal with the Olympics around the corner.

Police size

Japan has approximately 197 police officers for every 100,000 citizens. On a global basis, Japan is at the lower end of the spectrum. However its crime rate is also low relative to other Countries.

Fig. 6 : Police/100,000 citizens



Source: Custom Products Research

Secom & Alsok

Japan's two main security firms Secom (9735) and Alsok (2331) are official Olympic partners. However what is the upside to a safe Olympic games? Not much but the downside to any potential 'terrorist event' could have large downside for these companies.

Soft approach

A senior [Metropolitan Police Department \(MPD\)](#) spokesman said, "we do not want to provide the kind of heavy-handed security by gun-carrying personnel that was seen at the 2012 London Olympics and 2014 Winter Olympics in Sochi"

80 strong female riot squad

The MPD wants a light touch approach and is considering an 80-strong all-women riot squad to be used for crowd control. The MPD said "We hope to provide effective and elegant security by using sophisticated technologies...By mixing hard-line and moderate methods, we also hope to honor the atmosphere of omotenashi hospitality unique to Japan."



Stopping terrorists?

It is completely understandable that the Japanese wish to showcase their world-renowned hospitality but there are better ways to do it. Hello Kitty clad Olympic volunteers make a lot of sense but security is all about showing teeth. AK-47 toting terrorists are unlikely to care about omotenashi moreover take it as a sign of weakness, which will ensure Japan a viewed as a soft target.

Face recognition technology no match for a mask

The MPD is considering the use of private-sector face-recognition technology for identifying terrorists and suspicious individuals, from data registered with the latest surveillance camera systems. Given that terrorists will likely wear masks (like 1972) or even masks Japanese often use for common colds, hygiene and hay fever nothing will substitute for hard-line security.

Fig 7 : 1972 Munich Olympic Terrorist and the 11 victims of the Israeli Olympic Team



Source: The Associated Press, Times of Israel

1964 Tokyo Olympics uneventful

Although Japan had an uneventful 1964 Tokyo Olympics and aims to keep a low visual security presence, the 1972 Munich Olympics rewrote the rule book on precautionary tactics. West Germany deliberately pushed for a 'soft touch' security presence much like Japan is now in an attempt to throw off the shackles of its militaristic past. It was working well until terrorist organisation Black September stormed the Israeli quarters on 31 Connollystraße in the Olympic Village and murdered 11 athletes. If you read the inquest into the Munich Olympic failure the levels of incompetence are unbelievable. It was so poorly handled that Israel wanted to send in its own special forces to rescue them to avoid the predictable disastrous outcome. In the end five German soldiers without sniper training were dotted around Fürstenfeldbruck Airport without sniper rifles. One ended up being hit by friendly fire. The rest is history. Anti-terrorist special forces are a given at the Olympics ever since.

1972 Munich games changed all that

Security companies

Japan currently employs 543,000 security guards but not all can be easily deployed from bank vaults or office buildings to ticket gate security, Olympic village detail or transportation between the various events. Alsok (2331) and SECOM (9735) employ 85,000 (including administration). Recall that [G4S \(GFS LN\) lost a sizable sum](#) (c.£50mn) because they could not get the promised number of 'qualified' personnel (13,700) by the time the London Games commenced forcing the government to deploy 3,500 extra troops. Japan's Self Defence Forces number around 247,000 with around 56,000 reserves and 300 in special forces.

Terrorism in Japan

JRA activity

Sadly the above example is a legacy of a society that thinks it's immune to terrorist attack. Japan should recall the activities of the Japanese Red Army (JRA), which was responsible for murdering 26 and injuring 80 at Israel's Lod (now Ben Gurion) Airport. It worked with the PFLP and seized the Japanese embassy in Kuwait, took 50 hostages in Malaysia including the US consul and Swedish embassy staff. In 1976 JRA and PFLP attacked Istanbul's airport, mortared the Japanese, Canadian and US embassies in Indonesia. These are among some of its notorious



crimes which also included multiple hijackings.

JRA still exists

Shigenobu was arrested in 2001 and imprisoned for 20 years in 2006. Despite her assurances the JRA has been disbanded, the group has been renamed Movement Rentai. The JNPA even has a site dedicated to the [JRA](#) where it lists the seven fugitives still at large (Fig. 8).

Fig 8 : Japanese Red Army fugitives

Fig 9 : MHI HQ bombing in 1974



Source: JNPA, Tumblr

Bombing of MHI HQ

The East Asia Anti-Japan Armed Front (東アジア反日武装戦線) was responsible for the [bombing of the Mitsubishi Heavy Industries headquarters](#) in Otemachi in 1974 which, killed eight and wounded 400 people.

Sarin attacks

The sarin attack on the Tokyo Subway system in 1995 by Aum Shinrikyo resulted in 12 deaths and over 5,000 injured. The attack was timed to go off during peak hour as trains neared the government district of Nagatacho and Kasumigaseki.

Aum slipped under radar on religious entity grounds

Aum was approved as a religious entity in 1989 under Japanese law after being established by its leader Shoko Asahara. This allowed Aum to go largely untouched by the police authorities until the attacks after which its religious status was revoked. Aum accumulated over ¥100bn in assets including land, a helicopter, boats, gold bars and cash. Much of their assets came from followers who were required to give up all worldly possessions.

70t of sarin

Aum had intended to produce 70 tons of sarin (given its relative simplicity to other chemical weapons) in their industrial scale production facilities and use their Russian made helicopter to spray Tokyo. 200 barrels of peptone (used to cultivate bacteria) were seized in raids. In 1992 Aum sent 40 followers to Africa to see if they could cultivate Ebola.

Renamed Aleph

The group has since been renamed Aleph and its followers have denounced the former teachings of Shoko Asahara, who had his execution postponed in 2012.

North Korea

The Japanese government officially recognises that seventeen citizens have been abducted by North Korea between 1977 and 1983.

ISIL & Japan

Three Japanese, Kenji Goto, Shosei Koda and Haruna Yukawa, have been executed by the Islamic State in recent years in retaliation for Japanese government financial aid to Syria. ISIS put up a \$200mn ransom for Goto and Koda but it was not paid.

Terrorism by foreign actors in Japan has remained limited perhaps lowering the fear factor for authorities contemplating attacks during the 2020 Olympics.



Summary

There is no doubt that Japan is low on the list of terror given its strict immigration but it cannot be ruled out entirely. The 2020 Olympics could be the perfect target given the huge audience a terrorist organisation can appeal to, much like Black September achieved in 1972.

While Japan has long been viewed as pacifist post WW2, the removal of Article 9 of the Constitution allows Japanese troops to fight abroad could invite higher risk in the future. The changes were made more to align Japan to its heightened defence threats and challenges in the Pacific and allow it to play a bigger role in regional stability. The 2012 Japan Defence White Paper spoke openly of the limitations of a strictly self-defence force protecting sovereignty over the coming decades.

None-the-less, at the grass roots, my experience at Haneda International Airport shows the 'reality' of how soft security is in Japan. Naturally for a country that has a low crime rate (despite the sharply growing trends we wrote about in our Crime in Japan Series [1](#) & [2](#)) there is little thought to have to worry about terrorism. It is a major plus but at the same time a gaping Achilles' Heel.

While Brussels and Paris serve as recent reminders of how vulnerable a public can be, Japan must be careful to not suckle indefinitely on the bosom of false security. As American mountain climber Alison Levine once said,

"Fear is OK. It is complacency that will kill you!"



Important Disclosures:

This material was prepared for you and is for your information and use only. This material should only be distributed to other members of that organization on a need to know basis and should not be distributed or disseminated to any other person or entity.

This material is for information purposes only and it should not be regarded as an offer to sell or as a solicitation of an offer to buy the securities or other instruments mentioned in it. This material is based on current public information that Custom Products Group Limited ("Custom Products") considers reliable, but we make no representation that it is accurate or complete, and it should not be relied on as such. No investment opinion or advice is provided, intended, or solicited. Custom Products offers no warranty, either expressed or implied, regarding the veracity of data or interpretations of data included in this report. This material is provided with the understanding that Custom Products is not acting in a fiduciary capacity. Opinions expressed herein reflect the opinion of Custom Products and are subject to change without notice.

The products mentioned in this document may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors. The value of and the income produced by products may fluctuate, so that an investor may get back less than they invested. Value and income may be adversely affected by exchange rates, interest rates, or other factors. Past performance is not necessarily indicative of future results. If a product is income producing, part of the capital invested may be used to pay that income. © 2015 Custom

Contacts

Hong Kong

Simon Rigney

☎ +852-3958-2394 (HK)

☎ +81-3-5786-3712 (Tokyo)

✉ simon.rigney@custprd.com

Salt Lake City

Patrick Hansen

☎ +852-8191-6925 (HK)

☎ +1-801-230-4796 (SLC)

✉ patrick.hansen@custprd.com

Tokyo

Robert Rowland

☎ +81-3-5786-3711

✉ robert.rowland@custprd.com

Michael Newman

☎ +81-3-5786-3713

✉ michael.newman@custprd.com

Office Locations

Hong Kong

15/F Langham Place
8 Argyle Street
Mong Kok, Kowloon
Hong Kong S.A.R.

Tokyo

17/F Roppongi Hills North Tower
6-2-31 Roppongi,
Minato-ku, Tokyo
Japan 106-0032

Salt Lake City

299 South Main Street
Suite 1300
Salt Lake City, UT
United States, 84111