

# Could Japanese Weapons Strengthen NATO's Baltic Flank? Procurement Opportunities After Japan's Export Policy Shift

by Philipp Buschmann

## Abstract

*Japan's April 2026 defense export reforms have expanded opportunities for Japanese defense firms to compete internationally. This article examines the prospects for Japanese defense exports in the Baltic Sea region and argues that Japanese strengths in naval platforms, anti-ship missiles, sensors, and submarine technologies align closely with emerging regional procurement requirements. At the same time, European preference policies, Japanese production constraints, and sustainment requirements are likely to limit the scale of potential exports. The most realistic opportunities are therefore likely to emerge through selective procurement programs, industrial partnerships, and technology cooperation rather than large-scale platform acquisitions.*

## Japan Enters the European Procurement Conversation

For decades, Japan occupied a peculiar position in the global defense market. Despite possessing one of the world's most technologically sophisticated defense industries, Tokyo's restrictive export policies largely prevented Japanese firms from competing internationally. As a result, Japanese defense manufacturers remained overwhelmingly dependent on domestic procurement and played only a marginal role in global arms transfers.

The Japanese government's decision in April 2026 to substantially relax restrictions on defense exports may begin to change this reality. The revised implementation guidelines for the Three Principles on Transfer of Defense Equipment and Technology significantly expand the range of systems that can be exported to selected partner countries, opening the door to the transfer of major platforms and advanced weapon systems that had previously been off limits.

Meanwhile, Europe is undergoing its most significant rearmament effort since the end of the Cold War, creating new demand for maritime, coastal defense, and long-range strike capabilities. The combination of expanding demand in Europe and a more permissive export framework in Tokyo has created genuine opportunities in the Baltic and Northern European markets. This is particularly true in areas such as naval platforms, anti-ship missiles, sensors, and maritime technologies, where emerging regional requirements correspond closely with established strengths of the Japanese arms industry.

However, legal reforms alone will not guarantee export success. European procurement preferences, Japanese production constraints, and sustainment requirements remain significant obstacles. The most realistic opportunities are therefore likely to emerge not through large-scale

platform sales across Europe, but through selective procurement programs, industrial partnerships, technology transfers, and subsystem integration in areas where Japanese industry possesses clear comparative advantages.

### **The Post-2026 Export Framework**

Japan's traditionally restrictive approach to defense exports has long limited the international role of its defense industry. While Japanese firms developed advanced platforms and technologies for the Self-Defense Forces, legal and political constraints often discouraged foreign customers from seriously considering Japanese systems<sup>1</sup>.

A significant change came in April 2026, when the government of Prime Minister Sanae Takaichi revised the implementation guidelines for the Three Principles on Transfer of Defense Equipment and Technology. Most importantly, the revision abolished the longstanding restriction that had limited exports of finished defense equipment to five non-lethal categories: rescue, transport, warning, surveillance, and minesweeping. Instead, defense exports are now assessed on a case-by-case basis, substantially expanding the range of systems that may be transferred to selected partner countries<sup>2</sup>.

The significance of this change is already becoming visible. In April 2026, Australia selected an upgraded Mogami-class frigate design for its General Purpose Frigate program, marking the first export sale of a major Japanese naval combatant<sup>3</sup>. The decision demonstrated that Japan was prepared to pursue major defense exports and that foreign governments could engage with Japanese suppliers without assuming that political restrictions would ultimately prevent a transaction.

### **Strategic Demand in the Baltic Sea Region**

The Baltic Sea region presents a particularly interesting market for Japanese defense exports because many of its most pressing capability requirements align closely with areas in which Japan possesses considerable expertise. The challenge facing the region is primarily maritime in nature. Protecting sea lines of communication, securing critical infrastructure, countering hostile naval activity, and deterring aggression in confined and heavily contested waters all place a premium on anti-ship warfare, anti-submarine warfare, maritime surveillance, mine warfare, and coastal defense.

Not every country in the region represents an equally plausible customer for Japanese systems. Major platform acquisitions would most likely come from larger defense spenders such as Poland, Sweden, Finland, Denmark, or Germany. Smaller states, particularly the Baltic republics, may instead present opportunities in areas such as coastal defense, sensors, missile systems, electronic warfare, and maritime surveillance. The strongest opportunities for Japanese industry

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<sup>1</sup> Ishimaru, Jumpei. "Japan Loosens the Reins on Defence Exports." International Institute for Strategic Studies, April 27, 2026. <https://www.iiss.org/online-analysis/online-analysis/2026/04/japan-loosens-the-reins-on-defence-exports>.

<sup>2</sup> "Bōei Sōbi Iten San Gensoku' Nado No Ichibu Kaisei Ni Tsuite." Ministry of Defense (Japan), April 21, 2026. <https://www.mod.go.jp/j/press/news/2026/04/21a.html>.

<sup>3</sup> "General Purpose Frigate." Royal Australian Navy. Accessed June 20, 2026. <https://www.navy.gov.au/capabilities/ships-boats-and-submarines/general-purpose-frigate>.

may not lie in replacing entire European platforms, but in addressing specific capability gaps that existing suppliers cannot satisfy quickly or cost-effectively.

Procurement decisions in Europe also remain overwhelmingly national in character. While European institutions increasingly seek to coordinate defense industrial policy, governments continue to make acquisition decisions based primarily on national requirements: industrial interests, regional threat perceptions, and national budgets. For Japanese defense companies, this means that success is unlikely to come from approaching Europe as a single market. Instead, opportunities will emerge through targeted engagement with individual countries whose capability requirements align with Japanese strengths<sup>4</sup>.

## **Candidate Systems: Where Japan Has Plausible Procurement Relevance**

### **1. The Mogami-Class Frigate**

The most visible opportunity for Japanese defense exports in Europe lies in the naval domain. The Mogami-class frigate has emerged as one of the most successful products of Japan's recent naval modernization efforts and offers a combination of characteristics that may prove attractive to Northern European navies.

Particularly noteworthy are its emphasis on anti-submarine warfare, mine warfare, low observability, and crew efficiency. The latter point is especially relevant given persistent manpower shortages across many European armed forces. While individual procurement requirements vary considerably between countries, the Mogami's ability to combine modern capabilities with comparatively modest personnel requirements could make it attractive to navies seeking to expand fleet capacity without proportionally increasing manpower commitments.

The class received a significant endorsement in 2026 when Australia selected an upgraded Mogami variant over competing European designs. While procurement decisions are influenced by a wide range of political and industrial factors, the Australian competition demonstrated that Japanese shipbuilders are capable of competing successfully against established Western suppliers in an open international tender. This may encourage European procurement planners to evaluate Japanese naval platforms more seriously than in the past<sup>5</sup>.

In some respects, however, Japan may be entering the Northern European market at an inopportune moment. Several of the region's principal navies have only recently committed to major surface combatant programs, including Norway's selection of the British Type 26, Sweden's acquisition of the French FDI frigate, and Poland's ongoing *Miecznik* program. As a result, immediate opportunities for new frigate acquisitions are likely to remain limited. Denmark represents a notable exception. Copenhagen is currently developing long-term plans for fleet expansion and future frigate procurement, making it one of the few countries in the region where major naval acquisition decisions remain open<sup>6</sup>.

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<sup>4</sup> Pohlkamp, Elli-Katharina. "Laying the Groundwork: Why Eu-Japan Industrial Relations Should Begin at the Bilateral Level." European Council on Foreign Relations, April 20, 2026. <https://ecfr.eu/article/laying-the-groundwork-why-eu-japan-industrial-relations-should-begin-at-the-bilateral-level>.

<sup>5</sup> Luck, Alex. "Australia Signs Contract with Japan for Three Upgraded Mogami." Naval News, April 18, 2026. <https://www.navalnews.com/naval-news/2026/04/australia-signs-contract-with-japan-for-three-upgraded-mogami>.

<sup>6</sup> "Navy Plan Strengthens Maritime Capabilities of Danish Armed Forces." Danish Ministry of Defence, April 22, 2025. <https://www.fmn.dk/en/news/2025/navy-plan-strengthens-maritime-capabilities-of-danish-armed-forces>.

This does not, however, diminish the Mogami's longer-term prospects, as future procurement cycles will inevitably emerge. When they do, the class's unusually low crew requirements may prove particularly attractive. As personnel shortages continue to affect many European armed forces, the ability to expand naval capacity without a corresponding increase in manpower could become an increasingly important competitive advantage.

## **2. Type 12 Anti-Ship Missiles**

If the Mogami represents Japan's most visible export opportunity, the upgraded Type 12 anti-ship missile may represent its most realistic one. Across the Baltic region, governments are investing heavily in maritime denial capabilities designed to complicate hostile naval operations and protect critical sea lines of communication. Denmark's recent acquisition of coastal anti-ship missile systems and similar investments elsewhere in the region illustrate the growing importance of long-range coastal defense and distributed strike capabilities.

The Type 12 is well suited to this operational environment. Available in multiple variants and optimized for anti-ship warfare, it aligns closely with the requirements of countries seeking to strengthen deterrence in confined maritime theaters such as the Baltic Sea. Its attractiveness is further enhanced by the broader European procurement environment. As governments across the continent seek to expand long-range strike inventories simultaneously, industrial capacity has emerged as a significant constraint. Procurement decisions may increasingly be driven not only by technical comparisons between competing systems, but also by the availability of additional production capacity. In this context, the Type 12 should be viewed less as a competitor to existing European missile systems than as an additional source of capacity that could help European governments achieve ambitious rearmament objectives that might otherwise prove difficult to meet within the desired timeframe.

Missiles like the Type 12 may therefore represent a more accessible entry point into European markets than large platforms. Countries seeking to rapidly expand maritime strike capacity will likely prove more willing to consider Japanese missile systems than entirely new classes of ships or aircraft.

## **3. Sensors and Electronic Warfare Systems**

Another promising area lies in sensors, radar systems, electronic warfare equipment, and other high-value subsystems. While major platform acquisitions often generate political attention, much of modern military capability depends on the quality of the sensors, networks, and electronic systems integrated into those platforms. Japan possesses considerable expertise in these fields and has developed a range of advanced technologies that could potentially complement existing European programs.

From a procurement perspective, subsystem integration offers several advantages. It avoids many of the political and industrial challenges associated with replacing entire platforms, while allowing European customers to incorporate Japanese technology into domestically produced ships, vehicles, or defense networks. Many Japanese systems are already designed to operate alongside U.S. forces and within command-and-control architectures that rely on widely used standards such as Link 16. This could potentially ease integration into NATO environments, where many of the same data links and interoperability requirements already exist.

Such arrangements may also align more closely with European efforts to maintain indigenous industrial capabilities while incorporating foreign technologies where they provide a clear advantage. For Japanese industry, sensors and electronic systems may therefore offer one of the most practical pathways into European supply chains.

#### **4. Submarine Technologies Rather Than Submarines**

Submarines present a somewhat different case. Europe already possesses several highly capable submarine manufacturers, making direct Japanese platform exports unlikely in the foreseeable future. Established domestic industries in countries such as Germany, Sweden, France, and Italy would present formidable competition.

Technology cooperation, however, represents a more realistic possibility. Japan has accumulated significant expertise in areas such as propulsion, batteries, quieting technologies, and underwater sensors. These capabilities could potentially complement European submarine programs without requiring the politically difficult step of replacing domestic designs.

Poland's Orka program illustrates the broader point. Although Warsaw ultimately selected a European supplier, the program highlights continued demand for advanced undersea capabilities in the Baltic region. Future opportunities may therefore lie less in exporting complete submarines and more in providing technologies that enhance the performance of European platforms already entering service.

#### **Constraints and Pathways to Market Entry**

Despite the opportunities created by Japan's export reforms, significant obstacles remain. The existence of demand for a particular capability does not necessarily mean that Japanese suppliers will be able to satisfy it. Europe has increasingly sought to strengthen its own defense-industrial base, and initiatives such as SAFE reflect a broader political preference for directing defense spending toward European industry. While these policies do not prohibit purchases from foreign suppliers, they inevitably create a more difficult environment for non-European companies seeking access to the continent's procurement market<sup>7</sup>. At the same time, European governments continue to make procurement decisions based on a combination of capability requirements, delivery timelines, cost, and industrial considerations. Recent acquisitions from the United States, South Korea, and Israel demonstrate that European preference does not amount to an absolute barrier when governments identify urgent operational requirements or attractive alternatives.

A potentially more serious challenge lies within Japan itself. For decades, Japanese defense manufacturers primarily served a domestic customer base and have limited experience supporting large export programs. As Tokyo continues to expand its own defense spending, production capacity is increasingly needed to satisfy domestic requirements<sup>8</sup>. This issue is particularly relevant for some of the systems discussed above. Demand generated by Japan's own military modernization, Australia's recent acquisition of Mogami-class frigates, and potential future customers in the Indo-Pacific may constrain the availability of platforms and munitions for additional export markets. For European buyers seeking rapid delivery, production timelines may ultimately prove just as important as technical performance.

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<sup>7</sup> "ReArm Europe." European Commission, March 4, 2025.

<sup>8</sup> Johnstone, Christopher B., and Gregg Rubinstein. "Japan's New Defense Export Policy: Will Industry Seize the Day?" Center for Strategic and International Studies, May 8, 2026.  
<https://www.csis.org/analysis/japans-new-defense-export-policy-will-industry-seize-day>.

Modern defense procurement also extends far beyond the acquisition of a platform or weapon system. Maintenance, spare parts, software updates, training, and broader lifecycle support (LCS) arrangements frequently play a decisive role in procurement decisions. European governments increasingly expect some degree of local industrial participation, whether through maintenance facilities, licensed production, technology transfer, or participation in supply chains. The K2/K2PL main battle tank program in Poland illustrates how foreign suppliers can secure major European contracts by combining competitive capabilities with extensive industrial cooperation and local production arrangements. Japanese firms seeking to establish a lasting presence in Europe will likely face similar expectations.

None of these obstacles are insurmountable. However, they suggest that Japanese success in Europe is unlikely to emerge through a sudden wave of large-scale acquisitions. A more realistic path would begin in areas where Japanese capabilities complement rather than replace existing European systems and industrial capacities. Missile systems, sensors, electronic warfare equipment, and other high-value subsystems may offer particularly attractive entry points because they address genuine capability requirements while avoiding many of the political and industrial sensitivities associated with major platform acquisitions. More ambitious opportunities, such as future naval procurement programs, would likely require substantially deeper industrial cooperation. Most importantly, rather than approaching Europe as a single market, Japanese firms are likely to achieve greater success through targeted engagement with individual countries whose procurement requirements align closely with Japanese strengths.

## **Conclusion**

The reforms introduced by the Takaichi administration have fundamentally changed the context in which Japanese defense exports are evaluated abroad. For the first time, a broad range of Japanese defense products can realistically be considered by European procurement planners alongside more established suppliers. At the same time, growing demand for maritime security, coastal defense, long-range strike, and undersea capabilities has created a potentially receptive market in the Baltic Sea region.

This does not mean that Japanese firms are poised to become major suppliers across Europe. Strong domestic industries, European preference policies, and Japan's own production constraints will continue to limit the scale of potential exports. Nevertheless, the analysis presented here suggests that opportunities do exist in a number of areas where Japanese capabilities align closely with regional procurement requirements. Missiles, sensors, electronic warfare systems, submarine technologies, and selected naval platforms all represent plausible avenues for future cooperation.

Ultimately, the significance of Japan's export reforms should not be measured by the number of contracts signed in the short term. More important is the fact that Japanese defense products have entered the realm of realistic procurement options for European governments. For decades, Japanese defense products were largely excluded from European procurement discussions. Today, they have become realistic options. That alone represents a significant shift in the security relationship between Japan and Europe.

## **About the author:**

*Philipp Buschmann is a Polish-Austrian researcher raised in Vienna. He holds a BA from the University of Tokyo and an MA in International Relations from the Johns Hopkins University School of Advanced International Studies (SAIS). Previously, he worked at Japan's National Diet and at Nikkei's Washington, D.C. bureau. His research focuses on Indo-Pacific security and Japanese defense policy.*