Re: The Japanese government's response to the crisis in Myanmar

To the International Parliamentary Inquiry Committee,

I am writing to you on behalf of Human Rights Watch to submit information on Japan's response to the crisis in Myanmar, particularly since the February 1, 2021, military coup.

Human Rights Watch is an international human rights organization working in more than 100 countries around the world to document human rights violations and advocate for changes that respect and promote human rights. We have monitored the situation in Myanmar for more than three decades.

The Japanese Government's Response to the Coup

On February 1, 2021, the Myanmar military staged a <u>coup</u>, arresting the civilian leaders of the national and state governments and announcing a one-year "state of emergency." The military arrested leader Aung San Suu Kyi, President Win Myint, and several dozen other senior officials in early morning raids in the capital, Naypyidaw. The military also detained civil society activists in other parts of Myanmar and cut telecommunications and the internet.

On the same day, the Japanese government expressed "grave concern over the situation in Myanmar" and <u>urged</u> the release of those detained. Soon after, Japan <u>reportedly</u> decided to refrain from signing off new Official Development Assistance (ODA) projects for Myanmar, while continuing humanitarian aid as well as preexisting ODA projects. On <u>February 21</u>, <u>February 28</u>, and <u>March 28</u>, the Japanese government issued statements condemning the use of violence against protestors by Myanmar's security forces.

On March 28, 2021, Japan's Defense Ministry issued a <u>joint statement</u> with 11 other countries criticizing the Myanmar military's use of "lethal force" against "unarmed civilians." On June 8, 2021, Japan's Diet passed a <u>resolution</u> which condemned the coup and called for a "swift restoration of the democratic political system."

On July 13, 2021, February 8, 2022, and April 1, 2022, Japan signed off humanitarian aid to Myanmar.

On February 1, 2022, one year after the coup, Japan's foreign minister Yoshimasa Hayashi expressed "concern about the continued lack of action to improve the situation," and again urged the Myanmar military to "immediately stop the violence, release those who are detained, and swiftly restore Myanmar's democratic political system." The foreign minister also said Japan will work closely with Association of Southeast Asian Nations (ASEAN) to implement its "Five-Point Consensus," including the "dispatch of ASEAN Chair's Special Envoy and the start of a dialogue among all stakeholders, including pro-democracy groups."

On July 22, 2022, the Japanese foreign ministry sent a notice to Myanmar about former Japanese Prime Minister Shinzo Abe's state funeral scheduled for September 27. Recipients of the notice are eligible to

attend the state funeral, meaning the Japanese foreign ministry effectively invited the Myanmar's junta to attend.

On July 25, 2022, the Japanese foreign ministry said it "seriously deplores" the execution of "Myanmar citizens including pro-democracy activists," while expressing "deepest condolences" for their families.

Japan's Private Sector and its Response

Kirin Holdings Company, Ltd.

Japan's beverage giant Kirin Holdings Company, Ltd. entered a joint venture partnership with military-owned Myanmar Economic Holdings Limited (MEHL) in 2015 when Kirin bought 55 percent of Myanmar Brewery Ltd, 4 percent of which it later transferred to the military-owned firm. In 2017, Kirin acquired 51 percent of Mandalay Brewery in a separate joint venture with MEHL.

Kirin was among the foreign companies named in a September 2019 report by a United Nations-backed Fact-Finding Mission on Myanmar. The Mission concluded that "any foreign business activity" involving Myanmar's military and its conglomerates Myanmar Economic Holdings Limited and Myanmar Economic Corporation pose "a high risk of contributing to or being linked to, violations of human rights law and international humanitarian law. At a minimum, these foreign companies are contributing to supporting the Tatmadaw's financial capacity." The fact-finding mission advocated the "financial isolation" of the military to deter violations of international human rights and humanitarian law.

On February 5, 2021, five days after the coup, Kirin <u>announced</u> it would move to "terminate" its "joint-venture partnership" with MEHL "given the current circumstances." It is worth <u>noting</u> that human rights organizations including Human Rights Watch have asked Kirin to cut ties with MEHL well before the coup particularly because of the Myanmar military's atrocities against the ethnic Rohingya minority.

Y-Complex

Y-Complex is a high-end commercial development project being built on land leased by the Myanmar military in Yangon, Myanmar. Japanese participants in the project are Fujita Corporation, Tokyo Tatemono, Hotel Okura, Sumitomo Mitsui Banking Corporation, Mizuho Bank, Japan Overseas Infrastructure Investment Corporation (JOIN), and government-owned Japan Bank for International Cooperation (JBIC).

On February 17, 2021, human rights organizations including Human Rights Watch <u>asked</u> the United Nations Working Group on Human Rights and Transnational Corporations and Other Business Enterprises to investigate the project as it risks financing and creating immovable assets for the Myanmar military.

On May 31, 2021, Tokyo Tatemono Co., Ltd., a participant of Y-Complex, <u>announced</u> it "suspended the operation" of the project "entirely" since February 1, 2021. On July 26, 2021, Fujita Corporation, another

participant, <u>issued</u> a similar statement. However, the participants have not publicly disclosed the duration of the suspension or the conditions for resuming operations.

Yokogawa Bridge Corp.

In March 2014, Yokogawa Bridge Corp., a wholly-owned subsidiary of Japanese Yokogawa Bridge Holdings Corp., <u>signed</u> a Memorandum of Understanding (MoU) with Myanmar Economic Corporation (MEC), according to a 2015 earnings <u>document</u>. MEC is <u>owned</u> by Myanmar's Defense Ministry, controlled by the Quartermaster General's Office, and is a "direct source of revenue" for Myanmar's abusive military. MEC generates vast revenue through businesses in sectors including manufacturing, mining, and telecommunications, according to a 2019 <u>report</u> by a United Nations-backed Fact-Finding Mission on Myanmar.

Yokogawa Bridge Corp.'s ties to MEC came under scrutiny after a local media outlet, Myanmar Now, <u>reported</u> in March 2021 that a MEC-owned steel mill in Hmawbi, Yangon, was supplying steel for two-thirds of the Japanese government-backed Bago River Bridge Construction <u>project</u>.

The 2015 earnings document detailing the nature of the MoU between Yokogawa Bridge Corp. and MEC was available for public <u>viewing</u> as of January 25, 2021. However, by May 12, 2021, documents dated before 2019, including the 2015 earnings document, had been <u>removed</u>.

In April 2021, Yokogawa Bridge Holdings Corp. <u>stated</u> that construction of the bridge has been halted due to the "situation on the ground," and that it would "conduct business that respects human rights."

As of July 14, 2022, neither Yokogawa Bridge Corp. nor Yokogawa Bridge Holdings Corp. have publicly updated the status of the Bago River Bridge Construction project and their business relationship with MEC.

Recommendations to the Japanese Government

The Japanese government should do more to address the human rights and humanitarian crisis unfolding in the country.

At a minimum, the Japanese government should continue to issue statements of condemnation in a timely and urgent manner. The Japanese government should also continue to refrain from signing off new non-humanitarian ODA projects, while increasing humanitarian aid through international and local independent organizations.

Suspend Preexisting Non-Humanitarian ODA Projects

Despite freezing new non-humanitarian ODA projects, the Japanese government has not officially announced a suspension of ODA projects signed off before the coup. The Japanese government should immediately suspend preexisting non-humanitarian ODA projects to significantly increase pressure against the Myanmar military.

Place Targeted Sanctions Against Myanmar Military Leaders and Military-Owned Conglomerates

The Japanese government should place targeted sanctions against Myanmar military leaders, including commander-in-chief Min Aung Hlaing, as well as against military-owned conglomerates MEHL and MEC, to increase pressure against the military.

Suspend Military Training of Myanmar Military Personnel

Since 2015, the Japanese government has been <u>accepting</u> military cadets and officers from Myanmar under article 100 of the Self-Defense Forces Act, which permits the training and education of foreign nationals in Defense Ministry facilities, including the academy, with the approval of the defense minister. Through the program, military personnel participate in an <u>extensive curriculum</u> of academic and military training, including combat and arms training.

Even after the coup, the Japanese government accepted four Myanmar military personnel for training in 2021, and an additional four more in 2022.

Recent research by Human Rights Watch and Justice for Myanmar <u>found</u> a Myanmar air force lieutenant colonel who received military training in Japan is deployed with forces that have been implicated in serious abuses in Myanmar's central Magway Region.

The Japanese government should immediately suspend the program to avoid being complicit in the military's atrocities, and to further pressure the military to end its violence against civilians.

Recommendations to Japanese Businesses

While some Japanese businesses have moved to cut ties with the military, others have lacked in transparency including meaningful stakeholder engagement.

On May 12, 2021, the United Nations Working Group on human rights and transnational corporations and other business enterprises <u>stated</u> that "Businesses must uphold their human rights responsibilities and put pressure on the military junta to halt grave human rights violations." Specifically, the Working Group urged companies to "act in line with the Guiding Principles on Business and Human Rights to avoid contributing to human rights violations, or becoming complicit in crimes if they continue to operate in Myanmar."

The <u>UN Guiding Principles on Business and Human Rights</u> states that companies should "avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur," and "seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts."

Businesses should conduct urgent, transparent, and meaningful engagement with stakeholders including human rights organizations regarding their operations in Myanmar. In addition, businesses should disengage with the Myanmar military and its conglomerates in a responsible manner.

Thank you for your consideration regarding these important matters.

Sincerely,

Teppei Kasai Program Officer, Asia Division Human Rights Watch