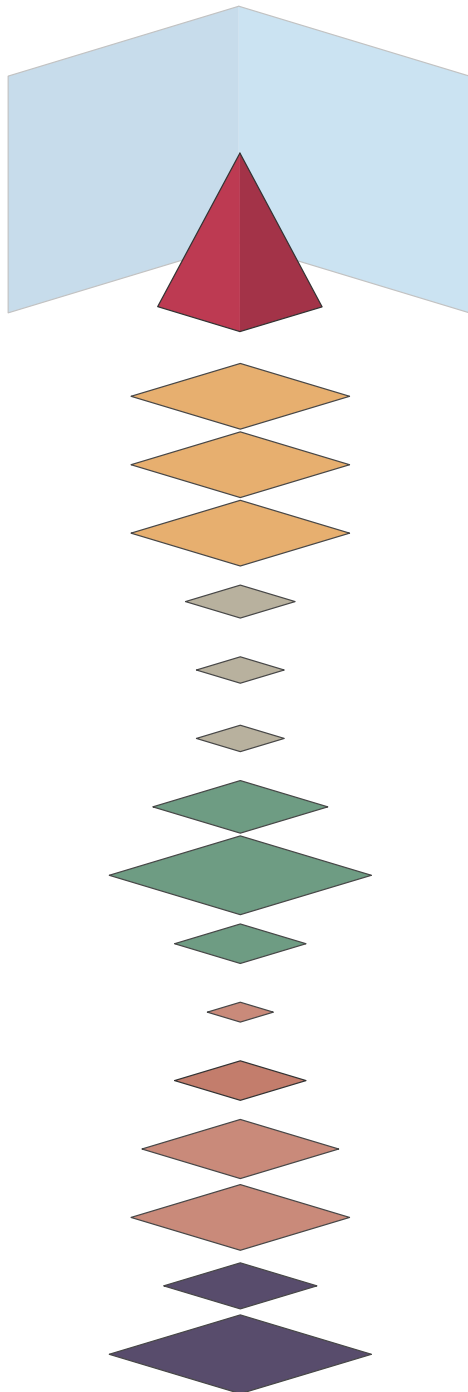




JAPAN



4.28

CRIMINALITY SCORE

142nd of 193 countries

38th of 46 Asian countries

4th of 5 Eastern Asian countries



CRIMINAL MARKETS

3.87

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	5.00
EXTORTION & PROTECTION RACKETEERING	5.00
ARMS TRAFFICKING	2.50
TRADE IN COUNTERFEIT GOODS	2.00
ILLICIT TRADE IN EXCISABLE GOODS	2.00
FLORA CRIMES	4.00
FAUNA CRIMES	6.00
NON-RENEWABLE RESOURCE CRIMES	3.00
HEROIN TRADE	1.50
COCAINE TRADE	3.00
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	5.00
CYBER-DEPENDENT CRIMES	3.50
FINANCIAL CRIMES	6.00



CRIMINAL ACTORS

4.70

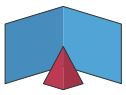
MAFIA-STYLE GROUPS	6.00
CRIMINAL NETWORKS	5.50
STATE-EMBEDDED ACTORS	3.00
FOREIGN ACTORS	4.50
PRIVATE SECTOR ACTORS	4.50



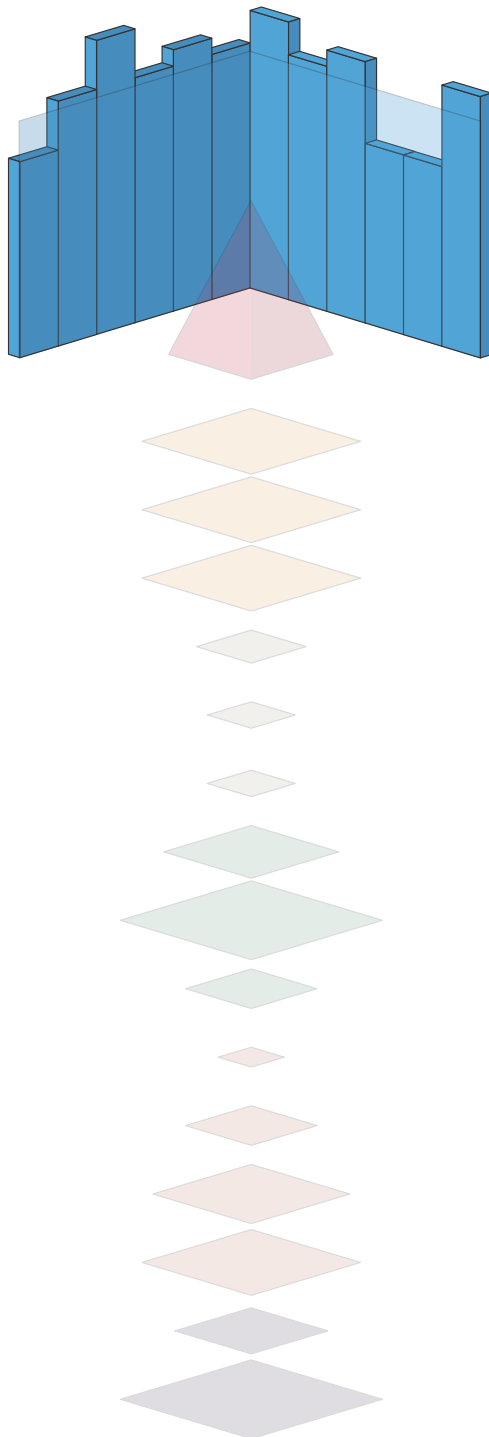
7.38

RESILIENCE SCORE





JAPAN



7.38

RESILIENCE SCORE

19th of 193 countries

3rd of 46 Asian countries

2nd of 5 Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	6.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	7.50
INTERNATIONAL COOPERATION	9.00
NATIONAL POLICIES AND LAWS	7.50
JUDICIAL SYSTEM AND DETENTION	8.00
LAW ENFORCEMENT	7.50
TERRITORIAL INTEGRITY	8.50
ANTI-MONEY LAUNDERING	7.50
ECONOMIC REGULATORY CAPACITY	8.00
VICTIM AND WITNESS SUPPORT	5.50
PREVENTION	5.50
NON-STATE ACTORS	8.00



4.28

CRIMINALITY SCORE



CRIMINAL MARKETS 3.87



CRIMINAL ACTORS 4.70



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking is a consolidated criminal market in the country. Men, women, and children from Japan and abroad are subject to sex trafficking and forced labour. Victims are often coerced through debt-based tactics, threats of violence or deportation, blackmail, confiscation of passports and other documents, and other psychological methods. Male and female foreign workers, foreign students, and runaway teenage girls and boys are especially vulnerable to exploitation, with traffickers, organized crime groups, and immigration brokers playing a major role. The COVID-19 pandemic has only worsened the situation, as traffickers increasingly use social media platforms to lure vulnerable women and girls into compensated dating services. Japan is not a significant destination for human smuggling because of its geographic isolation and strict immigration mechanisms. People from South and South East Asia, China, and the Pacific are the most common victims of this crime, and they usually find work in the country's informal economy. The number of human smuggling cases remains relatively low, but the number of illegal overstays has increased in recent years. Criminal organizations, such as the Yakuza and Chinese Triads, facilitate human smuggling in Japan, with occasional violence and exploitation bringing the issue to the forefront.

Japanese organized crime groups are notorious for extorting money from people, including business owners, in exchange for protection. Recently, Yakuza groups have tried to conceal their identities and use individuals not formally part of the gang to avoid police identification. The introduction of Yakuza exclusion ordinances more than a decade ago has curbed protection racketeering, yet Yakuza influence remains prevalent among businesses not well protected by law enforcement, such as hostess clubs and gambling parlours. Moreover, new emerging criminal groups called Hangure are also increasingly carrying out extortion activities in the areas they control. The practice of *sōkaiya*, a unique form of extortion that targets big companies rather than small business owners and individuals, has largely faded away.

TRADE

Japan has a small domestic market for illicit arms and strict restrictions on gun possession, but it is still prone to arms trafficking on international waters. Most gun seizures in Japan, which have decreased in recent years, are linked to organized crime groups and the transnational illicit trade, rather than the local market, as civilian possession of firearms is very limited. The number of firearms incidents

is low and has even decreased. Furthermore, Japan is not an arms exporter and contributes to multilateral efforts aimed at reducing the flow of illicit weapons.

Japan has strict controls on counterfeit goods entering the country, resulting in a smaller market than other countries in Asia. In the past, the online space has been used to evade state control and confiscation, as import for personal use was not considered an infringement of trademark rules. However, new amendments to the law regulating counterfeits aim to curb such practices. Currently, most counterfeit goods originate in China, followed by Vietnam. The number of counterfeit goods imported from the Philippines and the Republic of Korea (South Korea) has increased. The majority of seized counterfeit items in Japan were clothing and electrical products such as earphones, bags, and computer equipment. The illicit trade in excise goods is not a widespread criminal market in Japan, with sporadic incidents being reported.

ENVIRONMENT

Japan is one of the world's top five importers of wood products, with illegal logging remaining a significant issue. Large companies continue to import illegally sourced wood from countries like Malaysia, Indonesia, Russia, and Romania, despite efforts to curb the illegal trade. Japanese demand is even fuelling illegal logging in Europe, with nearly half of all timber cut in Romania being done so illegally. Wood imports have decreased in recent years, and the EU is now the largest wood exporter to Japan in terms of value. The illegal wildlife trade is driven by the demand for ivory, exotic pets, and high-value seafood in Japan. Although there has been a decline in Japan's ivory trade, ivory laundering remains widespread. Japan is one of the largest markets for exotic pets and tortoiseshell, and its appetite for seafood makes it vulnerable to the importation of large amounts of illegal, unreported, and unregulated catches. A lack of regulations and law enforcement to address fauna crimes enables the illegal wildlife trade.

Gold trafficking in Japan is carried out by smugglers who evade consumption tax on imported gold by hiding it in their clothing or luggage. The tax increases in previous years led to an increase in gold smuggling. Smugglers tend to purchase gold in countries without a consumption tax, such as Hong Kong and Taiwan, and then resell it in Japan at a tax-inclusive price. Officials have seen an increase in gold being smuggled through general freight services. Gold and gemstone trading are often used to cover up money laundering practices.

DRUGS

Heroin use in Japan is limited and much less prevalent than the consumption of cannabis or other stimulant drugs. There has been an increase in the number of incidents related to heroin and cocaine in recent years, but the number still pales in comparison to similarly affluent and populous countries. Cocaine mostly arrives in the country from North America, and despite consumption remaining low, it is used more than heroin. Overall, the market can be considered to have minimal influence on society.

The possession of cannabis in Japan is heavily penalized, even for small amounts. However, the COVID-19 pandemic and associated restrictions have led to an increase in the cannabis trade. Cannabis is one of the most popular drugs in Japan, with most of it being imported from other countries. The modus operandi of buyers and sellers has shifted, with drugs being ordered over the phone and delivered by car. Despite the increase in the trade, the amount of cannabis seized is still smaller than other developed countries. The synthetic drug trade in Japan has been thriving, particularly methamphetamine, which is sold at many times the price it fetches in neighbouring countries. The drug is smuggled through various methods from regions such as Africa, South East Asia, the Middle East, and Central and South America. Although methamphetamine is the biggest share of the drug market in Japan, the number of drug offenders has decreased in recent years, and the drug trade is still limited.

CYBER-DEPENDENT CRIMES

The market for cyber-dependent crimes in Japan is rapidly expanding, with a record number of cases reported in 2021, including ransomware and cryptocurrency fraud. Cybercrimes such as hacking, distributed denial-of-service attacks, and ransomware are becoming more serious and sophisticated, involving gangs and foreign criminals with high levels of professional expertise and technical proficiency. Cyber-attacks in Japan are often attributed to state-sponsored actors from China, Russia, and the Democratic People's Republic of Korea (North Korea).

FINANCIAL CRIMES

Financial crimes in Japan are on the rise, with offenders adopting innovative methods and frequently changing their target groups. Common forms of fraud include Ponzi schemes, deposit fraud, financial instrument fraud, telemarketing and mail fraud, lottery fraud, and online payment fraud. Perpetrators are increasingly using specialized fraud cases, where they gain the trust of victims through remote interactions and trick them into transferring money to a designated savings account. Recently, the frequency of these specialized fraud cases has increased for the first time in many years, particularly in metropolitan areas, with the elderly being the primary victims. An increase has been observed in refund fraud, ore-ore

scams and cash-card scams, but online banking fraud has decreased. Fraudsters have taken advantage of the Japanese government's COVID-19 subsidy programme, targeting a variety of people including students, officials, and crime syndicate affiliates. Cybercriminals have been using phishing to support their fraudulent activities, often with the help of IT companies. Tax evasion, embezzlement, and misuse of funds are common, but most perpetrators are not linked to organized crime groups. However, the Yakuza continues to be heavily involved in fraud against citizens and institutions. In some cases, Yakuza members have exploited government schemes to obtain benefits, while in other cases, they have posed as clerks at electrical appliance shops to obtain cash and credit cards. Moreover, the Yakuza are using cyber-dependent crimes to diversify their revenue streams, committing crimes in different countries. The Yakuza are increasingly moving towards specialized fraud that can generate large profits quickly, and it is expected that such activities will continue to grow.

CRIMINAL ACTORS

The Yakuza, Japan's mafia-style groups, are organized crime syndicates with a hierarchical structure and members who practice specific rituals. The Rokudaime Yamaguchi-gumi is the largest of the groups, but the number of Yakuza members and associates has been declining over the last decade because of an ordinance that aimed to cut them out of society. Yakuza groups are involved in illegal activities such as drug trafficking, money laundering, extortion, and sex work, while also being involved in legitimate businesses in different sectors such as entertainment, and construction to conceal illicit proceeds. However, stricter law enforcement has led to changes in their activities, with an increase in elder fraud and cybercrime. Overall, the operations of the Yakuza syndicates in Japan are eroding.

Small ad hoc criminal networks have been identified in Japan, but they have not been able to sustain their activity beyond small, localized operations because of the high quality of Japan's law enforcement as well as competition from Yakuza groups. However, since the decline of the Yakuza's influence in the last decade, new emerging groups called Hangure have been operating between organized crime groups and common criminals. These groups operate under a loose structure built on personal relationships, allowing them to evade Japan's anti-organized crime laws. Hangure groups are involved in a variety of criminal activities, including extortion and fraud. Hangure gangs might be a temporary nuisance, but new developments show that the rise of these groups is a growing concern.

There is a presence of foreign criminal groups, particularly from Africa and China, operating in Japan. African groups are known to use nightlife establishments as a front for their operations, and Chinese groups are involved in human smuggling and trafficking. Foreign criminal actors tend to commit crimes in groups, indicating some level

of organization. COVID-19 has had an impact on foreign criminal groups, with the number of cases and the number of foreign nationals arrested decreasing.

Private sector actors in Japan launder illegally-gained proceeds by transferring money into bank accounts set up with fictitious information. Financial institutions often lack effective measures to verify the identity of account holders. Authorities have identified various sectors, including precious metals and gemstone dealers, lawyers, and non-profit organizations, that are being used to conceal illicit money flows. However, in many cases, these actors are unaware that money laundering is happening through their activities. Even though there has been a decrease in the overall control of the Yakuza in recent years due to

the exclusion ordinance, the Yakuza continues to engage with private-sector actors by either serving as a labour broker or providing protection, albeit to a lesser extent. Moreover, Yakuza members use front companies in legitimate industries such as construction, real estate, and finance to launder money.

Certain political parties have had connections with the country's organized crime syndicates since their establishment. Yakuza involvement in politics has not been uncommon, with politicians from both parties having ties with the mafia. However, public tolerance for such connections has decreased, and the police have started to crack down on the mafia's ties throughout Japanese society.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Despite being considered one of the most stable nations in the world, the Japanese government's leadership in countering trafficking and organized crime is weak because of a lack of regulations and political will. For example, the consumption of eel in Japan is linked to poaching, smuggling, and crime syndicates, but the government is reluctant to introduce regulations, which raises fears of overfishing. Despite some progress, the level of social and political embeddedness of the Yakuza is still an issue, and the government's connection with far-right groups makes it prone to external influence. Japan is generally perceived as a transparent country with one of the lowest levels of corruption globally. However, bribery and corruption issues are still present domestically and internationally, with emerging scandals in local politics and ties to powerful groups. Japan's finance ministry publishes the country's budget and related documents every year, but transparency issues in the government and public health authorities have arisen during the COVID-19 pandemic.

Japan actively participates in various international cooperation efforts against transnational crime, and has ratified several international conventions related to narcotics, wildlife trade, and arms trade. The country has extradition treaties with the US and the Republic of Korea and participates in multilateral treaties. Japan has implemented various national policies and laws to combat various forms of organized crime, many of which classify criminal offences as serious offences. Although Japan has never outright banned the Yakuza, it has added so-called anti-social forces to its legislation, including a wide range of criminal groups and individuals involved in illegal activity under this definition, and banning any economic activity rather than banning their existence.

CRIMINAL JUSTICE AND SECURITY

The judicial system in Japan is widely regarded as efficient and well-consolidated, especially in dealing with organized crime. The police produce annual reports and have a dedicated anti-organized crime unit. Recently, the country has strengthened its legal push against crime syndicates with harsh sentences. A court recently sentenced a sitting mafia boss to death, marking the first such sentence in Japan given to a Yakuza member. Prosecuting gang leaders and holding them accountable for acts carried out by their subordinates is a growing trend in civil cases. However, Japan's detention system has been strongly criticized, especially the pre-detention system, which has been denounced for violating human rights. Suspects can be held by the police before being formally charged for several days, the longest period among developed nations. During detention, suspects may be subject to harsh interrogation techniques, which in some cases can amount to torture.

Japan's law enforcement faces legal constraints that make it difficult to investigate members of international drug cartels who operate in the country. Concerns have been raised about inadequate law enforcement efforts to combat human trafficking. Because of its geographic location and extensive coastline and trade infrastructure, Japan is potentially attractive to local, regional, and global organized crime groups. Japan conducts nearly all of its international trade through maritime transportation and therefore takes its maritime security very seriously. Japan's anti-maritime crime efforts are part of its Free and Open Indo-Pacific initiative, which seeks to ensure open sea lanes and enhance connectivity between Asia and Africa.

ECONOMIC AND FINANCIAL ENVIRONMENT

Gaps that can be exploited by criminal organizations and terrorist groups have been identified in Japan's anti-money laundering policies, and regulators have been urged to take stronger actions against banks and other financial institutions. For instance, the law regulating drug-related money laundering is limited because of its narrow scope. Precious metals and gemstone dealers and lawyers have been identified as high-risk professionals because of their low level of understanding of money laundering and terror financing. Despite this, Japan has made some efforts to combat money laundering, such as introducing a system to monitor ship-to-ship transfers of cash and gold earned through illicit means.

As Japanese companies have expanded their business activities outside Japan in recent years, anti-corruption compliance relating to dealings with foreign officials has become a significant concern, and it is one of the most important topics for the legal community in Japan. Private commercial bribery is not generally regulated, but there are laws that regulate it in specific circumstances. The Yakuza still operate legitimate as well as illegal businesses in construction, waste disposal, entertainment, and labour dispatch. Direct state participation in economic activities is limited, but the government controls and holds influence over business through constant consultation and indirect involvement in banking. Overall, Japan continues to be one of the major free and open economies in the world.

CIVIL SOCIETY AND SOCIAL PROTECTION

The Japanese government provides assistance to victims of domestic violence, and funds NGOs that operate shelters and provide medical care to victims of trafficking. However, access to government-provided social services is limited for foreign trafficking victims. The government operates hotlines to identify potential trafficking cases, but some

NGOs have reported that anti-trafficking materials are unclear and difficult for victims to understand. Restitution awards for civil suits seeking compensation from traffickers are often impossible to obtain as defendants frequently file for bankruptcy. Some victims of sex trafficking choose not to participate in court proceedings against their traffickers because of fears of stigma-based challenges to their reintegration and rehabilitation.

The Japanese government has taken various steps to prevent human trafficking, such as providing law enforcement officials with training on investigative methods and victim identification. However, concerns remain about the effectiveness of programmes for former Yakuza members and the punishment-oriented policies for drug-related crimes. Japan's severe punishment-oriented policies for drug-related crimes fail to address addiction issues, with prisons lacking programmes for drug addicts, and medication provided to treat withdrawal symptoms often leading to new addictions.

Japan is a constitutional monarchy that values media pluralism. However, journalists face challenges in fulfilling their role as democracy watchdogs because of business interests and tradition. The government declines to discuss the Act on the Protection of Specially Designated Secrets, which threatens whistle-blowers, journalists, and bloggers with up to 10 years in prison if found guilty of disseminating illegally-obtained information or state secrets. The Yakuza, along with other organized crime groups, hold sway over law enforcement and the journalism community. Overall, however, Japan is considered a free nation respectful of political rights and liberties.

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