



Backgrounder

Boeing in Japan

For more than half a century, Boeing has been the top provider of commercial jetliners to Japanese airlines and a major supplier of military equipment and aircraft to the Japanese Ministry of Defense (JMoD). Today, Boeing retains deep supplier, customer and partner relationships across Japanese government, industry and civil society.

Boeing opened its first office in Japan in 1953 and now has approximately 200 employees at more than 20 major sites across the country. Boeing named Brett Gerry president of Boeing Japan in February 2016. Gerry is responsible for expanding Boeing's local presence, managing business partnerships and pursuing new growth and productivity initiatives in Japan — continuing a legacy that began 64 years ago.

Boeing Commercial Airplanes

Japan has long served as one of the largest financial single-country international markets for Boeing Commercial Airplanes. Over the past 50 years, Japanese carriers have ordered more than 970 Boeing jetliners, and Japan is one of Boeing's largest twin-aisle markets.

In the past decade, nearly 80 percent of the commercial aircraft ordered by Japanese customers have been Boeing products. Japan is the single biggest customer for the 787. Japan Airlines (JAL) purchased more 747s than any other airline customer and All Nippon Airways (ANA) is the largest international customer for the 767 family of airplanes. Together, Japan's major carriers make Japan one of the largest international customers for the 777, with more than 100 ordered.

Japan also plays an important role in launching major new programs. Japan's Nippon Cargo Airlines (NCA), in tandem with Cargolux, launched the 747-8 Freighter in 2005. JAL and ANA were among a number of carriers with whom Boeing held intensive discussions to define and develop the 777 configuration. ANA was also a 777 launch customer and became the first Asian operator. Japanese airlines served as launch customers for the 767-300, 767-300 Boeing Converted Freighter and 737-700ER.

In 2004, ANA launched the 787 Dreamliner with 50 orders from ANA — the largest launch order for a Boeing commercial airplane at the time. In addition, JAL selected the 787 Dreamliner as its next-generation mid-sized twin-aisle airplane and joined the 787 launch team with an initial order of 35 airplanes. ANA and JAL both collaborated with Boeing in the development of the Dreamliner, sharing their expertise in passenger amenities, airplane performance and aircraft maintenance.

ANA and JAL became the first customers to fly the 787 Dreamliner in September 2011 and April 2012, respectively. Both airlines have since made incremental 787 orders that

include all members of the Dreamliner family: 787-8, -9 and -10. Japan has more than 90 787s flying today — more than any other country.

In March 2014, ANA committed to extending this outstanding legacy with its order of 20 777X airplanes. Boeing looks forward to working with ANA and other early 777X customers on the development of the next generation of super-efficient large widebodies.

Boeing Defense, Space & Security

Boeing Defense, Space & Security and Japan's MoD have a long history of working together to meet Japan's defense needs. This cooperation dates back to 1956 and the licensed production of the F-86 Sabre by Mitsubishi Heavy Industries (MHI). Boeing continued collaboration with the Japanese industry through licensed production of the Vertol 107 helicopter and the F-4 Phantom.

In 1981, the first non-U.S. delivery of 10 F-15 Eagles began under the Peace Eagle program. Four more F-15s were delivered to Japan in 1983, and in total, MHI built nearly 200 F-15J/DJ Eagles under licensed production. Today, Japan operates the second largest fleet of F-15s in the world. Boeing is currently involved with MHI in upgrading the F-15J/DJ aircraft to fulfill Japan's desired mission effectiveness well into the 21st century.

Defense, Space & Security has provided many other defense solutions to Japan's Self-Defense Forces. In 1978, the Japan Maritime Self-Defense Force (JMSDF) first placed orders for Harpoon anti-ship missiles; currently, JMSDF is second only to the U.S. Navy in terms of the number of Harpoon missiles in its inventory.

Boeing began delivering CH-47 Chinook helicopters to the Japan Air and Ground Self-Defense Forces (JASDF and JGSDF) in 1984. Since then, Kawasaki Heavy Industries (KHI), under license by Boeing, has manufactured and delivered 100 CH-47s to Japanese forces — providing Japan with the world's second largest operational Chinook fleet.

Boeing delivered the first of 13 AH-64D Apache Longbows to JGSDF in March 2006 through a license agreement with Subaru (formally Fuji Heavy Industries (FHI)). Boeing has also delivered four KC-767 tankers and four Airborne Warning and Control System (AWACS) aircraft to JASDF, and continues to provide ongoing support and upgrades for these platforms.

Japan became the first international customer for the KC-46 tanker after it was down-selected in a competitive bidding process by JMoD in October 2015. In the same year, Japan JMoD also became the first international customer for the V-22 Osprey.

Boeing Partners in Japan

Around 150 Japanese companies are suppliers to Boeing across its commercial and defense product lines. Boeing procures more than \$5 billion worth of goods and services from Japan every year, and Boeing-related work supports tens of thousands of highly skilled aerospace jobs in Japan.

MHI, KHI and Subaru produce components for Boeing commercial models and manage licensed production of Boeing defense products. These companies designed and developed 35 percent of the 787 Dreamliner airframe structure, including the main wing box — the first time the design and build of such a critical part was entrusted outside the company. Together, they also supply 16 percent and 21 percent of the 767 and 777 airframes, respectively, and have contracted with Boeing to provide 21 percent of the super-efficient 777X.

Other components provided by Japanese firms include tires, gear boxes, trailing-edge flaps, lavatories, flight deck interiors, altimeters, actuators, valves and video entertainment systems. Toray Industries is providing composite materials for the 787.

Boeing's partnerships in Japan extend well beyond the above examples. In fact, the company has meaningful collaborations in the technology and environmental areas with Japanese universities, research institutions and various government agencies.

Boeing Corporate Citizenship

Boeing and its Japan-based employees are deeply involved in their communities. Through an annual funding process, Boeing Japan invests in nonprofit organization (NPO)-led projects that align with the company's charitable guidelines. Recent projects supported by Boeing Japan include revitalizing a community devastated by mercury poisoning from industrial waste; providing therapy and support to children orphaned in difficult circumstances; supporting an outdoor camp for children with life-threatening illnesses; and the reforestation of a black pine forest devastated by the March 11, 2011, tsunami in the Tohoku region. Boeing Japan employees have volunteered in the area since the disaster struck and continue these efforts today.

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