



Japan-Korea Relations:  
**The Honeymoon's Over**

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The first quarter of 2007 saw new developments in the Japan-Korea relationship, while some very old issues resurfaced. Prime Minister Abe's honeymoon appears to be over in both domestic politics and Japan's foreign relations, while South Korean President Roh Moo-hyun is a lame duck with the next presidential election coming this December. The Six-Party Talks experienced unexpected and dramatic progress as a result of U.S. and North Korean initiatives, with a potential resolution appearing on the horizon. Japan's unyielding insistence on making resolution of the abductions issue the center of its relations with North Korea threatened to isolate Japan even further as the six-party process continued.

Abe further heightened regional suspicions about Japan's intentions when he seemed to cast doubt on both the Japanese government's role in the World War II "comfort women" brothels and its 1993 apology, by questioning whether coercion was involved and whether the military and government were directly involved. This led to predictable outrage in South and North Korea, although South Korea's responses were more muted than in the past. Even Australian Prime Minister John Howard told Abe that Japan should "stop quibbling" over the details of the women who were pressed into sexual service during World War II. Given Japan's new emphasis on human rights and "value-oriented diplomacy," as well as its insistence on resolving the abduction issue, Abe's comments led to concerns about Japan's new foreign policy direction.

Despite the political tensions between Japan and the Koreas, economic relations between South Korea and Japan continued their slow integration, and at the working levels, the two governments continued to find new areas of cooperation. So far, Abe has not fully defined his stance toward the two Koreas, and the coming quarter promises to be an eventful one.

**Japan-North Korea: We will not even pay ¥1**

Japan-North Korea relations continued to be stalemated despite progress in the larger Six-Party Talks. Tokyo welcomed the deal with Pyongyang reached on Feb. 13 – in which North Korea takes steps toward denuclearization in exchange for limited energy aid and other incentives – but announced its intention to withhold any fuel aid to Pyongyang until the abduction issue is resolved. In early March, as mandated by the Feb. 13 agreement,

Japan and North Korea resumed bilateral normalization talks after a 13-month hiatus, but failed to make any meaningful progress. Tokyo emphasized the abduction issue and Pyongyang walked away. No date for future talks was announced.

The year began with little hope of rapid progress on the North Korean issue, and Prime Minister Abe Shinzo's New Year's foreign policy message was unmistakable: "pursue assertive diplomacy in earnest this year." In January, he traveled to four European countries and urged European leaders to implement the UN sanctions resolution against North Korea to add further pressure on Pyongyang. During his foreign policy speech to the Diet on Jan. 25, Foreign Minister Aso Taro confirmed "dialogue and pressure" as Japan's basic policy toward North Korea, but put more weight on pressure by urging the international community "to continue being united in applying pressure on North Korea to elicit a sincere response." Former Vice President of the LDP Yamasaki Taku's visit to Pyongyang in mid-January, which was intended to help energize stalled bilateral relations, drew domestic criticism in Japan. Chief Cabinet Secretary Shiozaki Yasuhisa said that the Japanese government considered it "undesirable" that a Diet member visited Pyongyang when one aspect of Japanese sanctions included a prohibition on Japanese officials visiting North Korea.

To Prime Minister Abe and his Cabinet, the U.S. shift toward a more "flexible" approach to Pyongyang over North Korea's frozen funds at a Macao bank, and the ensuing Feb. 13 agreement, came with "mixed feelings." The Feb. 13 deal stipulates that Pyongyang will be provided as a first step with 50,000 tons of heavy fuel oil and other rewards, including removing Pyongyang from the U.S. list of states sponsoring terrorism, in return for shutting down its main nuclear reactor at Yongbyon. The agreement leaves Japan in a bind, as Tokyo has long sought to have the nuclear weapons and abduction issues handled comprehensively, and it leaves Tokyo's pursuit of "further pressure on Pyongyang" less likely.

The conservative Japanese newspaper *Yomiuri Shimbun* reported Feb. 14 that the agreement left a number of officials within the Japanese government "perplexed," since North Korea's bad behavior "effectively turned out profitable for them." Behind Tokyo's cautious response that it will back the accord but not take part in the first part of the aid plan, were issues larger than the unresolved abduction issue. Both the *Asahi Shimbun* and *Japan Times* noted that the agreement was not necessarily good news for Abe, as he owes much of his current popularity to the hardline policy he has pursued toward Pyongyang. On the one hand, for Prime Minister Abe to reward Pyongyang without any visible progress on the abduction issue would be a big blow to his popularity and to his "Beautiful Japan" agenda as a whole. On the other hand, Prime Minister Abe has to manage criticism both by opposition leaders and by members of his own party that his narrow focus on the abduction issue comes at the expense of regional stability, isolating Japan from the rest of the Six-Party Talks participants.

Walking a tightrope, on Feb. 25 Prime Minister Abe met the five repatriated abductees and promised further pressure on Pyongyang. This was largely seen as a gesture to dispel concerns among Abe's domestic audience that the abduction issue would be pushed aside

by the Feb. 13 agreement. On another occasion, Abe reiterated that Japan had no plans to lift the sanction measures imposed on Pyongyang. However, in an effort to avoid isolation within the six-party process, Foreign Minister Aso has been floating the idea of “indirect assistance” to North Korea, in which Japan would cooperate with the other participants of the Six-Party Talks by dispatching Japanese researchers to examine the fuel demands of North Korea, instead of providing direct energy assistance to Pyongyang. Aso also said that Japan had received assurances from the other participants that they understood Tokyo’s position.

North Korea, not surprisingly, was displeased with Tokyo’s decision to withhold direct fuel aid. According to Ri Pyong-dok of the North Korean Foreign Ministry, Japan must fulfill its commitment as long as it is a member of the Six-Party Talks. Ri also accused the Japanese government of “abusing the abduction issue for political purposes,” when the issue has already been resolved. The *Korean Central News Agency* continued to blame Tokyo for denying its role in the “comfort women” issue, and for abusing human rights of the pro-Pyongyang General Association of Korean Residents in Japan.

It was not surprising then, that the resumed bilateral talks March 7-8 in Hanoi aimed at normalization of diplomatic relations between Tokyo and Pyongyang made no progress. In Tokyo, in a parliamentary address prior to the talks, Prime Minister Abe reiterated that Japan will not compromise on the abduction issue, while Foreign Minister Aso stressed that “if no progress is made on the abduction issue, we will not pay even pay ¥1.” Although both sides agreed that the first day would be spent addressing Tokyo’s issues and the second day addressing Pyongyang’s issues, the talks collapsed after 45 minutes into the second day as North Korean delegates walked out. Japan insisted that all lingering questions about abductions of Japanese nationals be resolved, while North Korea had warned of “fierce resistance” against Japan should it highlight only the abduction issue. Whereas Japan maintains 17 people on its official list of abductees by Pyongyang, the North claims some on the list are dead and others, except those five repatriated, did not enter the country.

Criticizing Tokyo that “these are not abduction working groups,” Pyongyang’s chief delegate Song Il-no said that North Korea would be willing to reopen the abduction issue under certain conditions: Japan lifts economic sanctions, stops reining in the pro-Pyongyang General Association of Korean Residents in Japan, and starts atoning for Japan’s colonial rule of the Korean Peninsula. While Song’s counterpart Haraguchi warned that the North should “understand the consequences,” Song blamed Japan for not being prepared to discuss the issue of “comfort women” and urged Tokyo to “move on.”

When the Six-Party Talks resumed in late March, Japan’s chief delegate Sasae Kenichiro confirmed that Japan was ready to work toward the settlement of the unfortunate past as well as outstanding issues based on the 2002 Japan-North Korea Pyongyang Declaration. North Korean counterpart Kim Gye-gwan in his keynote speech said that Japan was “not qualified” to participate in the Six-Party Talks if it fails to comply with the Feb. 13 deal.

## Japan-South Korea: revisiting history yet again

The first quarter of 2007 revealed how historical issues have weighed upon Japan-South Korea relations, even as both sides attempt to move toward further cooperation. Prime Minister Abe, after making a visit to South Korea and China immediately upon his inauguration, pushed his conservative agenda for “Beautiful Japan” at home. Through doors opened by Abe’s visit to Seoul, Tokyo and Seoul made progress in restarting military and political cooperation, but those efforts were quickly overshadowed as the issue of the “comfort women” eclipsed everything else.

This quarter Japan pressed forward in deepening institutional changes that allow for a more assertive foreign policy. On Jan. 9, on the eve of Prime Minister Abe’s departure to Europe where he vowed that Japan would no longer shy away from overseas activities involving the SDF, Japan’s Defense Agency was officially upgraded to the Ministry of Defense – 52 years after the formation of the agency in 1954. In addition, the government announced plans to create a Japanese version of the U.S. National Security Council in April next year. More importantly, Abe formally announced that he intends to revise the pacifist Constitution during the 150-day regular Diet session.

Tokyo made attempts to alleviate regional concerns about the creation of the Ministry of Defense, but they proved fairly ineffective. Prime Minister Abe and Japan’s first Defense Minister Kyuma Fumio claimed that other countries have nothing to fear and that there will be no major changes in Japanese defense policies. However, Seoul was apparently not convinced. In a Jan. 9 editorial, South Korea’s *Joongang Ilbo* said that sentiment in Seoul feels the move is “worrisome” because it is a catalyst for more militarization by Japan, and claimed that Japan “has not reflected upon its past invasions of neighboring countries.”

Seoul’s tendency to read Japan-South Korea relations through the lens of history has not shown any signs of changing, and South Korean public sentiment continued to negatively view Japan’s attitude about its past. Speaking at the annual news conference marking the start of the year, President Roh Moo-Hyun urged Prime Minister Abe not to visit Yasukuni Shrine because “not just me personally, but the people of South Korea as a whole will use that as a yardstick for Japan-Korea relations.” Early in January, the news that President Roh had suggested changing the name of the Sea of Japan/East Sea to the Sea of Peace or the Sea of Friendship during the summit with Prime Minister Abe last year triggered an immediate and negative South Korean reaction; Roh’s attempt to find a compromise met with loud condemnation, where both the opposition Grand National Party and South Korean internet users accused the already unpopular president of “irresponsible” behavior and “giving in” to the Japanese.

Amid the usual anti-Japanese rallies and marches celebrating the March 1 Independence Movement, Roh delivered a speech urging Japan to abstain from glorifying or justifying its colonial history, and to respect globally accepted principles of conscientious behavior for future-oriented bilateral relations. In response, Japan’s Chief Cabinet Secretary

Shiozaki Yasuhisa criticized Roh's speech as using expressions that were "a bit too sharp," and said Roh's views of history differed from those of Japan's.

Adding to the problem were Prime Minister Abe's remarks on "comfort women." On Jan. 31, U.S. Representative Michael Honda (D-Ca) introduced a bipartisan resolution in the House Foreign Affairs Committee calling for Japan to formally acknowledge and accept responsibility for sexually enslaving women during World War II. Both the South Korean and Japanese media reported the accounts of historians that up to 200,000 women – mostly from Korea but also China, the Philippines, and other countries – were forced into sexual slavery by the Japanese military during World War II in brothels as so-called "comfort women."

While three victims of Japan's wartime sexual slavery, two Koreans and one Dutch woman, were testifying before the U.S. Congress, Abe provoked widespread criticism (even by Australia) by claiming that there was "no evidence to prove there was coercion as initially suggested." Last October, just before his visits to South Korea and China, Prime Minister Abe had accepted the 1993 Kono Statement that officially acknowledges and apologizes for the enslavement of "comfort women." But joining forces with the conservatives within the ruling LDP, Abe slightly switched gears and said that Japan would not apologize even if the resolution passed the U.S. Congress. On March 4, *The Japan Times* reported that Nakayama Nariaki, chairman of the group of 120 lawmakers who believe the Kono Statement's apology "went too far," compared the military brothels to a college cafeteria run by private contractors. This group of lawmakers argued that the "comfort issue" issue must be reconsidered based on truth "for the sake of Japanese honor." Later in the quarter, Japan's Cabinet for the first time clarified the official position that a 14-year old study found no hard evidence that these women were forced to serve in the army brothels.

As expected, the South Korean Foreign Ministry furiously criticized Abe's behavior and expressed "strong regrets." The South Korean media viewed this as a calculated attempt by Abe to salvage his plunging approval ratings by pleasing conservatives in the LDP before an election for the House of Councilors in July. The *Choson Ilbo* reported March 5 that Abe seems to have ended his honeymoon with the international community; while a *Joongang Ilbo* editorial asked, "is it so hard for Japan to confess to its past sins and to teach subsequent generations never to repeat them?"

Even as historical issues dampened bilateral ties, Japan and South Korea moved forward with cooperation on a number of other important measures, however. On Feb. 25-26, Defense Minister Kyuma and South Korean Defense Minister Kim Jang-soo met in Tokyo, the first meeting between the defense chiefs of the two countries since January 2005. They agreed to set up a hotline between Seoul and Tokyo to prevent clashes in the Sea of Japan/East Sea and discussed ways to cooperate on the North Korean nuclear issue. After a five-month hiatus, on March 1, Seoul and Tokyo also resumed talks about delineating the boundary of their exclusive economic zone (EEZ), although they failed to produce any agreement. The two sides did, however, agree to meet soon in Seoul. Finally, the foreign ministers of the two sides are scheduled to meet in early April to

discuss various issues in their bilateral relations. Thus, although historical issues continue to take center stage in the Japan-Korea relationship, on contemporary issues there seems to be far more goodwill and ability to cooperate.

### **Economic relations**

Reflecting the chill in Japan-North Korea diplomatic relations, their economic ties continued to be almost nonexistent, with Tokyo's sanctions against Pyongyang severely inhibiting trade. During Yamasaki Taku's visit to Pyongyang in early January, Song Il-ho, North Korea's chief delegate to the normalization talks with Japan, said that the economic sanctions placed on North Korea "have not been effective." Yet Song demanded that Japan lift its ban on the North Korean ferry to Niigata, because "humanitarian problems must be solved immediately." According to *The Japan Times*, the Cambodian-registered freighter *Argus* departed from Shimane Prefecture bound for North Korea's Wonsan, carrying thousands of used bicycles and cars Jan. 18. There are loopholes in Japan's sanctions, as ships registered in a third country are not subject to the sanction measures placed after the missile and nuclear tests.

The most distinctive trend in Japan-South Korea economic relations during this quarter was the accelerated integration of the two economies, as some of the largest and most well-known firms from both countries formed partnerships to boost global competitiveness. In the financial sector, in January, Korea Exchange Bank, Korea's fifth-largest lender, and Japan's Resona Bank, Japan's third-largest financial firm, formed a partnership to boost their operations and to attract more customers from both countries. On March 12, top South Korean lender Kookmin Bank and Japan's Sumitomo Mitsui Banking Corp., Japan's third-largest, signed a business cooperation agreement that focuses on corporate banking services. According to *The Japan Times*, the two banks have jointly provided syndicated loans and maintained a cooperative relationship through staff exchange programs since 1987. Kookmin Bank expects the deal to become a stepping-stone for it to grow into a leading player in the Asian financial sector. Sumitomo aims to boost its real-estate project-financing and investment-financing segments in South Korea by working with Kookmin.

SK Corp., South Korea's largest oil refiner, formed a strategic partnership with Nippon Oil Corp., Japan's largest oil refiner, marking the first cross-national alliance between top oil firms. The strategic ties will cover five key business areas: exploration and production, supply and trading, overseas operations, petrochemicals and lubricants. According to the *Joongang Ilbo*, Nippon Oil Corp. has been experiencing a decline in profit in recent years and is in need of cost reductions, while SK hopes to learn from the Japanese firm's over 100 years of experience, increasing the global competitiveness of both firms. In March, Nippon Steel Corp., Japan's leading steelmaker, said that it owned a 5 percent stake in POSCO, Korea's top steel producer, as part of an agreement in which the two companies will increase their stakes in each other. POSCO said it will make an equal investment in Nippon Steel Corp. increasing its share from the current 2.8 percent stake. According to the *Joongang Ilbo*, the acquisition and the cross-shareholding are meant to help the two major steelmakers defend themselves from possible takeovers.

South Korea's largest province, Gyeonggi, concluded a memorandum of understanding with DENSO, Japan's leading auto-parts maker. Based on the MOU, the Japanese company will build a factory in an industrial complex in Changan, Gyeonggi Province. DENSO will invest about \$25 million in the region to produce fuel injection systems for automobiles, and this is expected to create over 200 jobs.

South Korea's Ministry of Commerce, Industry, and Energy announced on Jan. 27 that the country's trade deficit with Japan in 2006 reached a record high. South Korea's deficit with Japan was \$25.3 billion last year, up 3.9 percent from 2005.

In finance, Japan's Central Bank abandoned its near-zero interest rate policy this quarter and raised its interest rate by a quarter percentage point to 0.5 percent. By Feb. 12, the Korean won had risen to a nine-year high against the Japanese yen at 7.69 won to 1 yen, and to over 8 won by late March. When Japan raised its key interest rate from 0.25 percent to 0.5 percent on Feb. 21, South Korean yen-denominated loans became much more expensive to pay back. The *Joongang Ilbo* reported March 6 that many Korean traders have started dumping their Asia investments that were based on yen carry trade practices. According to Park Sang-hyun, an economist at CJ Investment & Securities Co., because much of Korean banks' yen-dominated loans – worth \$5.1 billion – had been in the local property market, the strengthening yen could have an adverse effect on the local economy.

### **Society and culture**

While Japan's efforts to deal with the abductees issue continued in and outside of the country, the pro-Pyongyang General Association of Korean Residents in Japan also decided to take its issue to the UN Human Rights Council to give testimony on what it claims is a discriminatory crackdown by the Japanese government. In the meantime, Tokyo signed the International Convention for the Protection of All Persons from Enforced Disappearance, hoping to send a strong message to Pyongyang and the international community about the abduction issue. The *Bloomberg News* reported Jan. 26 that at the Davos World Economic Forum in Switzerland, Koike Yuriko, the special national security advisor to Prime Minister Abe, showed "Megumi," a documentary about 13-year old Yokota Megumi. The aim was to raise awareness among the 2,500 political and business leaders about the abduction issue. *Reuters* reported Jan. 29 that an increasing number of firms in Japan have been investigated in recent years on suspicion of illegally exporting "dual-use instruments" to North Korea, that is, civilian devices that can be used for military purposes. This quarter, the Japanese Police arrested an engineer and his wife on suspicion of violating the country's labor law. The couple is suspected of being part of a group of scientists affiliated with the pro-Pyongyang General Association of Korean Residents in Japan.

2007 also marks the 400<sup>th</sup> anniversary of the Choson Tongshinsa Culture Exchange Association. Celebrating a history of friendship, top tourism officials from Seoul and Tokyo have agreed to expand educational trips for students and boost exchanges between provincial governments. South Korean Culture and Tourism Minister Kum Myung-gon

and Japanese Minister of Land, Infrastructure, and Transport Fuyushiba Tetsuzo decided to organize events throughout the year to encourage more tourists to visit each other's country. According to *Choson Ilbo*, the meeting was called by Fuyushiba, prompted by a report that the 2 millionth South Korean visitor had visited Japan last month. Fuyushiba said that he "strongly feels that [Japan and South Korea] must further strengthen that relationship, and make it more specific."

Finally, Japanese Emperor Akihito and Empress Michiko kept a promise – to attend the premiere of a film that was then in production commemorating a South Korean's heroism – they made five years ago to a South Korean family whose son was killed as he rescued a drunken Japanese man on a subway track. The *Joongang Ilbo* reported Jan. 30 that the imperial couple had invited the parents of Lee Soo-hyun to the palace in Tokyo to console them on the first anniversary of their son's death. The imperial couple did indeed attend the film preview, "Anata o Wasurenai," or "We Will Never Forget You." The film is a joint production of South Korea and Japan. Royal aides said it was the first time the imperial couple had attended a film preview. First Lady Abe Akie, former Prime Minister Mori Yoshiro, former Chief Cabinet Secretary Fukuda Yasuo, Jang Hun, an ethnic Korean baseball player, along with other 600 people were invited to the preview.

### **The coming quarter**

The coming quarter promises to be eventful. A series of deadlines will occur within the six-party process, and whether or not these deadlines are met, the North Korean issue will further develop – for better or worse. As the Upper House elections that will take place this July loom larger, Abe will be under increasing pressure to take foreign policy stances that will help the LDP retain power. Whether this includes visiting Yasukuni Shrine in April during *sakura* season, or whether it involves the abductees issue, it is likely that Abe's foreign policy views will become more clearly articulated over the next few months. How Seoul and Pyongyang react is an open question, but with Roh a lame-duck president, he is less constrained than before.

## **Chronology of Japan- Korea Relations January-March 2007**

**Jan. 8, 2007:** South Korean daily *Segye Ilbo* reports that President Roh suggested changing the name of the Sea of Japan/East Sea into "Sea of Peace" or "Sea of Friendship" during his summit with Prime Minister Abe last year.

**Jan. 9, 2007:** PM Abe indicates the trip to Pyongyang by Yamasaki Taku runs counter to sanctions Japan imposed prohibiting Japanese officials from traveling to North Korea.

**Jan. 9, 2007:** Japan Defense Agency is upgraded to the Ministry of Defense.



**Jan. 12, 2007:** PM Abe returns to Japan after his trip to four European countries, urging their support for further pressure on North Korea to give up its nuclear ambitions and resolve the abduction issue.

**Jan. 17, 2007:** Korea Exchange Bank says that it has formed a partnership with Japan's Resona Bank.

**Jan. 19, 2007:** *Yomiuri Shimbun* reports that the Japanese government decided to repatriate the remains of 140 Korean soldiers and civilians who died in Japan during World War II.

**Jan. 25, 2007:** President Roh urges PM Abe not to visit Yasukuni Shrine since the South Korean public will use it as a yardstick in Japan-South Korean relations.

**Jan. 25, 2007:** FM Aso in his foreign policy speech at the 150-day regular Diet session stresses the need to cement the momentum for restoring ties with South Korea and China. He also confirms "pressure and dialogue" as Japan's basic policy toward North Korea.

**Jan. 26, 2007:** Japanese Emperor Akihito and Empress Michiko attend a film preview for "anata o wasurenai" keeping the promise they made five years ago to the parents whose son was killed on a subway track as he tried to rescue a drunken Japanese man.

**Jan. 27, 2007:** South Korean Ministry of Commerce, Industry, and Energy announces that the country posted a deficit of \$25.3 billion with Japan last year.

**Jan. 31, 2007:** U.S. Rep. Michael Honda introduces a bipartisan resolution in the U.S. House of Foreign Affairs Committee, calling for Japan to formally acknowledge and accept responsibility for sexually enslaving women during World War II.

**Feb. 11, 2007:** FM Aso says that Japan will not provide direct energy aid but is ready to provide "indirect cooperation" for North Korea.

**Feb. 13, 2007:** Six-Party Talks participants reach an agreement in which North Korea will be provided fuel oil and other incentives in exchange for disabling its nuclear development program. The Japanese government praises the deal but refuses to give any energy assistance to North Korea.

**Feb. 14, 2007:** North Korean Foreign Ministry official says Pyongyang was displeased with Tokyo's refusal to provide fuel aid as part of the Feb. 13 agreement of the Six-Party Talks.

**Feb. 15, 2007:** Three victims of Japan's wartime sexual slavery testify before the U.S. Congress.

**Feb. 21, 2007:** Japan raises the interest rate from 0.25 percent to 0.5 percent, the first increase since July 2006.

**Feb. 25, 2007:** PM Abe meets with five repatriated abductees and promises to continue pressuring North Korea over the abduction issue.

**Feb. 25-26, 2007:** Defense ministers of Japan and South Korea meet and decide to establish a hotline between Seoul and Tokyo to prevent clashes in the Sea of Japan/East Sea.

**Feb. 26, 2007:** *Joongang Ilbo* reports a group of 11 South Koreans have filed a suit against the Japanese civilian group that runs Yasukuni Shrine and the Japanese government demanding the names of their relatives be removed from the shrine.

**Feb. 28, 2007:** South Korea's Gyeonggi Province concludes a memorandum of understanding with Japan's auto parts maker, DENSO.

**March 1, 2007:** President Roh says Japan should refrain from glorifying or justifying its colonial history in his speech commemorating the 88<sup>th</sup> anniversary of the March 1 Independence Movement. Japan's Chief Cabinet Secretary Shiozaki Yasuhisa protests Roh's words as "a bit too sharp."

**March 1, 2007:** PM Abe says that there is no evidence or testimony that the Japanese military forced the so-called women to become sex slaves during World War II.

**March 3, 2007:** South Korean government criticizes PM Abe for denying Japan's responsibility for the "comfort women" issue.

**March 3, 2007:** FM Aso reiterates that Japan will not "even pay ¥1" to North Korea unless there is progress on the abduction issue.

**March 5, 2007:** Seoul and Tokyo hold exclusive economic zone talks, but fail to reach an agreement.

**March 6, 2007:** Tokyo and Pyongyang hold a preparatory meeting before their normalization talks. Pyongyang envoys cancel the afternoon session.

**March 7-8, 2007:** Tokyo and Pyongyang hold the normalization talks for the first time in a year but fail to reach an agreement.

**March 12, 2007:** South Korea's Kookmin Bank and Japan's Mitsui Banking Corp. sign an agreement to cooperate in corporate banking services.

**March 13, 2007:** Pyongyang criticizes Tokyo for not participating in energy assistance at the UN Conference on Disarmament.

**March 13, 2007:** Japan's NHK says that it will allow a private group to use a transmitting station for a shortwave radio service to send messages to Japanese abductees in North Korea.

**March 14, 2007:** Japanese Navy Adm. Saito Takashi visits Seoul National Cemetery as part of a three-day trip at the invitation of South Korean counterpart, Gen. Kim Kwan-jin.

**March 16, 2007:** Japanese Cabinet says in a written statement that the Japanese government found no evidence that foreign women were forced to serve in army brothels.

**March 16, 2007:** U.S. Ambassador to Japan Thomas Schieffer describes “comfort women” as the victims of rape by the Japanese military during World War II.

**March 19-22, 2007:** Sixth round of the Six-Party Talks is held in Beijing.

