

I. INTERDICTIONS OF ILLICIT DRUGS AND FIREARMS SMUGGLING IN 2005

1. Number of Interdictions

(1) Summary

A total of 340 cases of interdiction of illicit drugs were reported in 2005 (60% of the previous year's level). The amount of seizure was 679 kg (50% of the previous year's level) for drugs such as stimulants and cannabis (illicit drugs excluding tablet-type drugs such as MDMA and psychotropics, the same below), and 249 thousand tablets for tablet-type drugs such as MDMA and psychotropics (58% of the previous year's level).

Meanwhile, two cases of interdicted smuggling of firearms were reported (50% of the previous year's level), and four firearms were seized (80% of the previous year's level).

Major characteristics of smuggling in 2005 were as follows:

- ① The amount of seizure for stimulants and cannabis fell below one ton for the first time in three years with no massive smuggling over 100 kg one time.
- ② The amounts of seizures for cannabis, tablet-type synthetic narcotics including MDMA fell below the previous year level, which was the record high, but still reached the third-largest figure ever recorded, with one-time amount of seizure increased.
- ③ Involvement of international criminal organizations is evident with interdiction cases similar to those in neighboring countries seen around the same time.

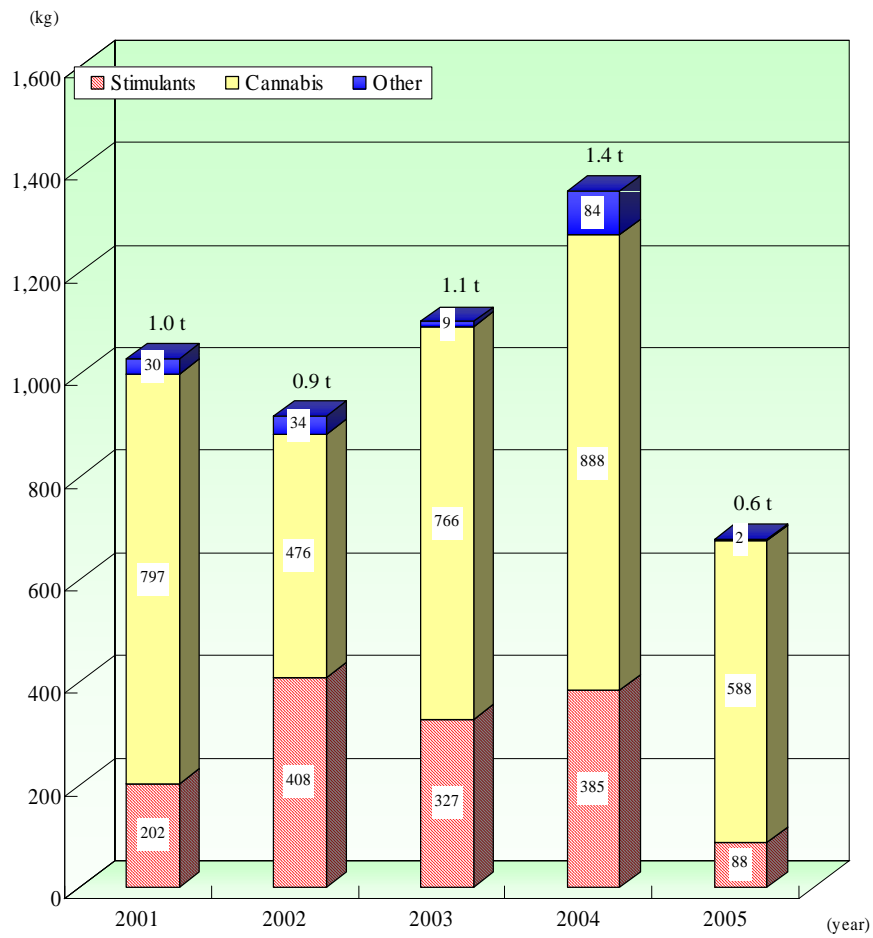
(2) Interdiction of Major Illicit Drugs and Firearms

Category	Year	2001	2002	2003	2004	2005	Compared to 2004
		Cases	42	20	76	103	33
Stimulants	kg	202	408	327	385	86	23%
Cannabis	Cases	214	276	355	314	243	77%
	kg	797	476	766	888	588	66%
	(Herbal cannabis) Cases	166	191	233	242	178	74%
	(Herbal cannabis) kg	744	261	436	597	385	65%
(Cannabis resin)	Cases	48	85	122	72	65	90%
	kg	53	215	330	291	203	70%
Heroin	Cases	11	15	9	3	3	100%
	kg	5	19	5	0	0	963%
Cocaine	Cases	7	12	11	19	5	26%
	kg	18	14	0	83	2	2%
Opium	Cases	2	3	2	6	3	50%
	kg	8	2	4	1	0	37%
MDMA	Cases	45	35	43	54	25	46%
	1,000 Tablets	118	172	368	401	234	58%
Psychotropics	Cases	96	89	58	63	28	44%
	1,000 Tablets	90	60	16	27	15	54%
Total	Cases	417	450	554	562	340	60%
	kg	1,030	918	1,104	1,358	679	50%
	1,000 Tablets	208	233	385	429	249	58%
Reference (Number of uses)	10,000 times	1,007	1,884	1,597	2,015	606	30%
Firearms	Cases	2	8	9	4	2	50%
	Quantity	21	13	12	5	4	80%
Firearms parts	Cases	2	3	7	1	0	Total reduction
	Quantity	12	4	13	1	0	Total reduction

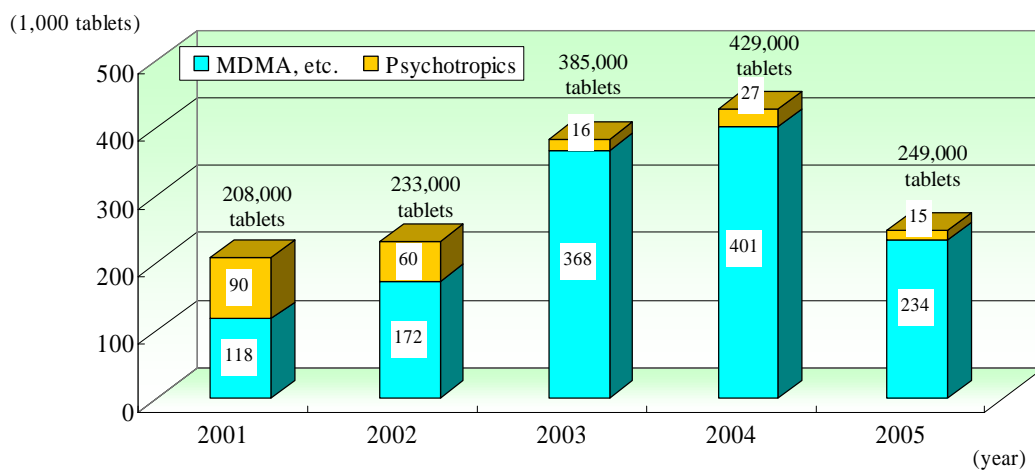
Notes:

1. The figures, which are on a detection basis, include quantities seized not only in smuggling cases detected by Customs but also in smuggling cases detected by the police and other law enforcement agencies in collaboration with Customs.
2. "Stimulants" includes its raw material.
3. "MDMA" represents the sum of all synthetic narcotics including MDMA and MDA.
4. The number of psychotropics tablets seized in 2001 includes 2,031 tablets in an export case.
5. A conversion was made for the "Number of uses" based on an average dose of abusers (stimulant: 0.03 g; herbal cannabis: 0.5 g; cannabis resin: 0.1 g; heroin: 0.01 g; cocaine: 0.03 g; opium: 0.3g; MDMA and psychotropic: 1 tablet).

(3) Transition in the Amount of Seizures for Major Illicit Drugs



(Note) Other drugs include heroin, cocaine and opium.



(Note) No figures are available for 1989 and 1990 since they are not counted.

2. Trends in Illicit Drug Smuggling

(1) Stimulants

- T China remained the largest smuggling route
- T Tablet-type stimulants sourcing from France were interdicted for the first time
- T Interdiction of smuggling case by hiding drugs in the carry-on baggage of a third-party in good faith traveling in groups

Stimulants still account for about 80% of the total number of arrests for drug abuse (the National Police Agency's data), which makes them the most widely abused illicit drugs in Japan.

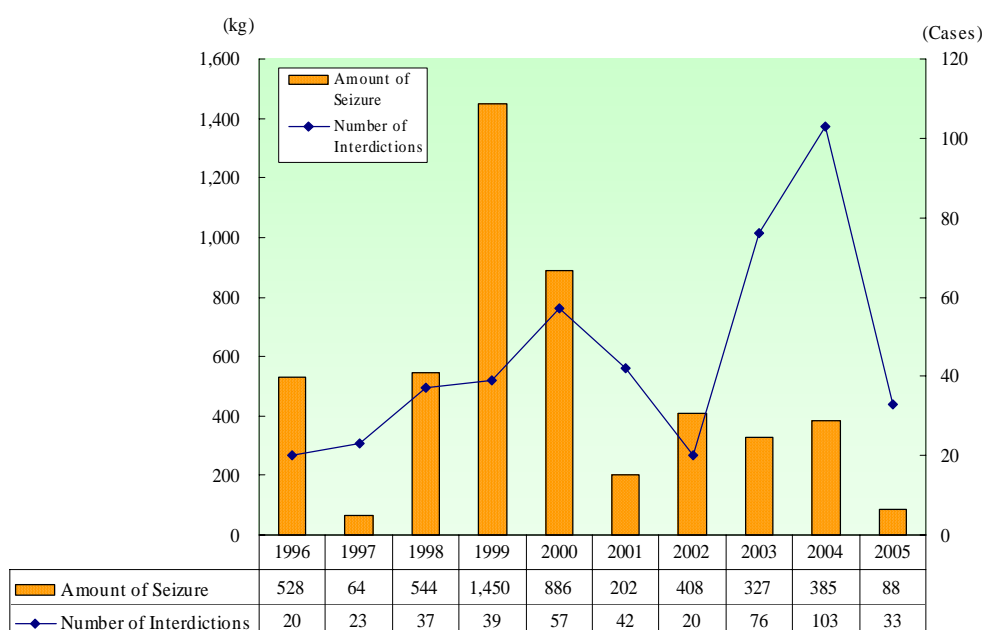
The number of domestic arrests in 2005 increased to 13,346 (109.2% of the previous year's level) for the first time in five years. While members and semi-members of gangster organizations account for approximately 50% of the number of arrests, the number of juvenile criminals increased, and the recidivism rate was more than 50% (the National Police Agency's data).

The number of smuggling cases interdicted in 2005 was 33 (32% of the previous year's level), and the amount of seizures was 88 kg (23% of the previous year's level), showing a significant decrease compared with the previous year's level, which was the record high. [See Chart 1.]

In terms of the major smuggling routes in 2005, while China remained the largest smuggling route, the number of smuggling cases by air passengers from Taiwan and Malaysia, which showed a huge increase in 2004, decreased. Smuggling cases of stimulants in large quantities by air passengers from Thailand and Canada were interdicted. In addition, tablet-type stimulants sourcing from France were interdicted for the first time.

Concerning the modus operandi of smuggling, while there were no smuggling cases dealing in large quantities that used methods like dealing on the sea or using a sea container, there was a use of techniques and modus operandi such as using a third-party in good faith, hiding behind party travelers, or concealing solutions of stimulants in bottles of alcohol, indicating an increasingly vicious and sophisticated trend of smuggling.

[Chart 1: Transition in the amount of seizure and the number of interdictions for stimulants]



(2) Cannabis (herbal cannabis and cannabis resin (hashish))

- T The number of interdictions remained at a high level as in 2004, which marked the record high.
- T Unprecedented smuggling from Israel was interdicted one case after another.
- T Increasingly vicious and sophisticated trends of modus operandi were seen as in the cases of smuggling of stimulants.

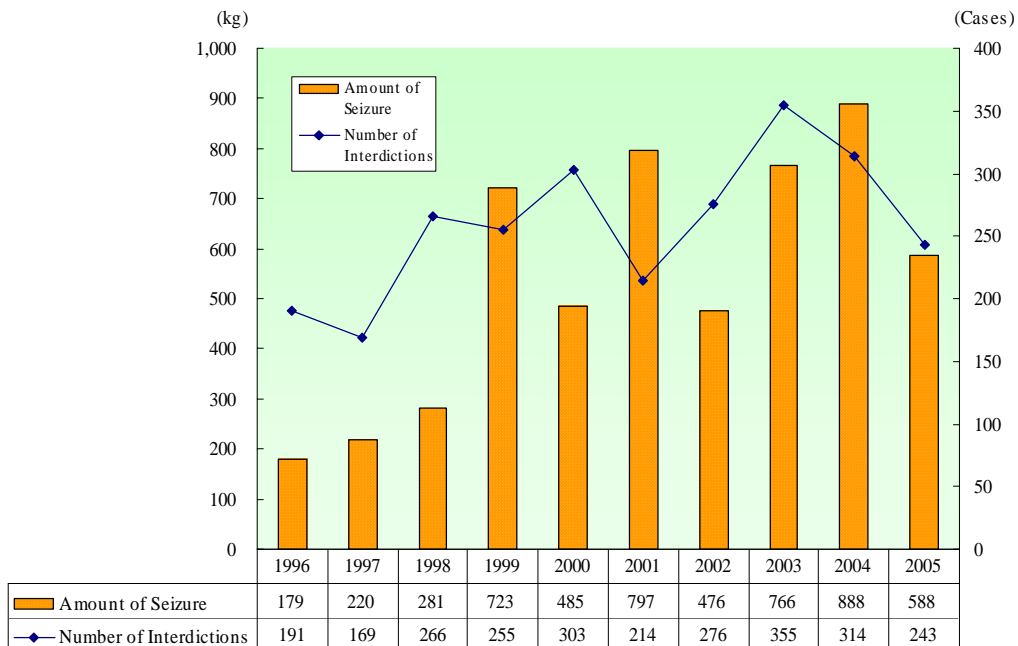
Cannabis is generally assumed to be the most abused illicit drug in the world, and in Japan as well, it is the drug that has been confiscated in the largest quantity among the illicit drugs seized in the past five years. In recent years, its abuse has been spreading, especially among the youth in their 20's, and the number of arrests for cannabis abuse in 2005 reached 1,941, the forth-largest figure ever recorded (88% of the previous year's level, the National Police Agency's data).

The number of interdictions in 2005 dropped to 243 (77% of the previous year's level) and the amount of seizures dropped to 588 kg (66% of the previous year's level). Thus, while the amount of seizures has decreased compared with the 2004 level, which reached the record high, the smuggling of cannabis still remains at a high level. [See Chart 2.]

The major routes for smuggling herbal cannabis in 2005 included an African route involving countries like South Africa, a European route involving countries like the Netherlands and Belgium, and a North America route involving countries like Canada. The amount of seizure of cannabis from the U.S. and Israel increased rapidly, while major route for smuggling cannabis resin was a South Asian route involving India and Nepal, unprecedented smuggling of cannabis resin sourcing from Israel was interdicted one case after another.

Concerning the modus operandi of smuggling, the cases with ingenious concealment were remarkable, such as hiding illicit drugs in the bumper or underfloor part of the chassis of automobiles, or in the top panel of a wooden table.

[Chart 2: Transition in the amount of seizure and the number of interdictions for cannabis]



(3) Tablet-type synthetic drugs such as MDMA (including MDA and MDE)

T The amount of seizures reached the third-largest figure ever recorded, with the one-time amount of seizure increased.

T European routes accounted for more than 90% of the total amount of seizure.

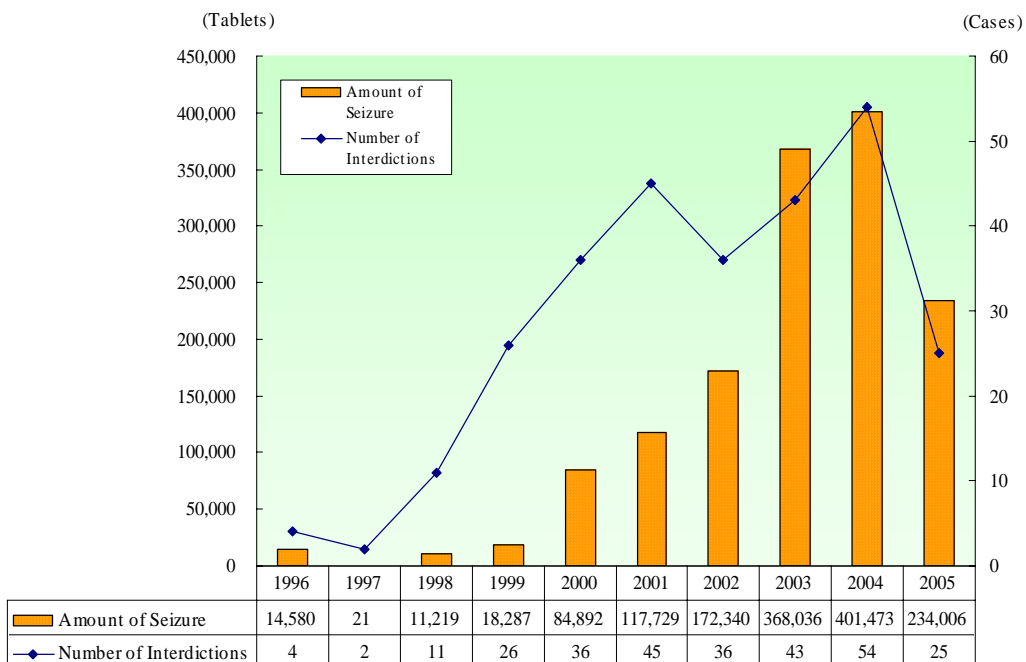
MDMA (commonly known as "Ecstasy") is a tablet-type synthetic drug that has pharmacological effects similar to stimulants, and there has been a massive increase in smuggling of these drugs in recent years. Due mainly to their shapes, which tend to lower resistance to drug abuse, the spread of their abuse is especially marked among young people in their 20's. Consequently, the number of domestic arrests in 2005 reached 403 (96% of the previous year's level) and remained the almost same level as that in 2004, when a record high level was reached (the National Police Agency's data).

The number of interdictions in 2005 was 25 (46% of the previous year's level), and the amount of seizure reached 234 thousand tablets (58% of the previous year's level). While the amount of seizure has decreased compared with the 2004 level, the amount of seizure marked the third-largest figure ever recorded, with the one-time amount of seizure increased. [See Chart 3.]

The major routes for smuggling included a European route via countries such as the Netherlands, France, and Belgium, which accounted for more than 90% of the total amount seized, whereas the number of interdicted smuggling cases from China, which occurred one after another in 2004, was zero.

Concerning the modus operandi of smuggling, while large-scale smuggling cases using sea cargoes or ship crew members were interdicted in 2004, smuggling perpetrated by air passengers by concealment in suitcases or through international mail services constituted the majority of smuggling offenses in 2005.

[Chart 3: Transition in the amount of seizure and the number of interdictions for MDMA and other drugs]

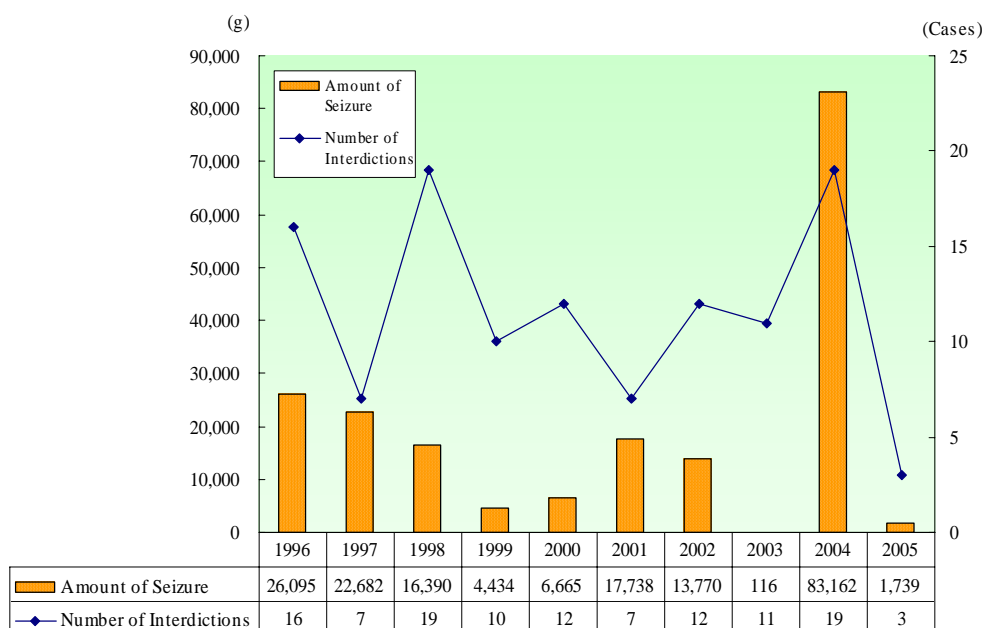


(4) Other illicit drugs: cocaine, heroin, opium and psychotropics

- a. South America is the largest source of cocaine production, and most of the coca leaves used to produce cocaine are illegally grown in the three countries of Columbia, Peru and Bolivia. It is mainly consumed in the United States and Europe.

The number of interdictions of smuggling cases in 2005 was 5 (26% of the previous year's level), and the amount of seizures dropped to 1.7 kg (approximately 2% of the previous year), which was far below the 2004 level, which marked the record high. [See Chart 4.]

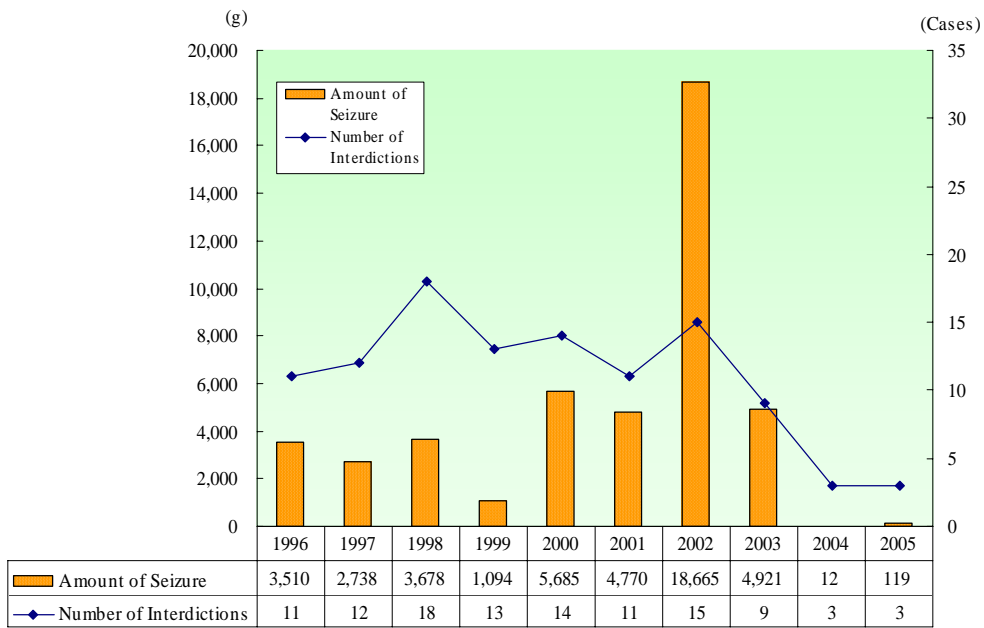
[Chart 4: Transition in the amount of seizure and the number of interdictions for cocaine]



- b. The Golden Triangle, which spreads over Thailand, Laos and Myanmar, and the Golden Crescent, encompassing Afghanistan, Pakistan and Iran, are believed to be the major areas where heroin is produced. The Golden Triangle and its neighboring areas have been the main source of the heroin smuggled into Japan.

In 2005, 3 cases (100% of the previous year) of smuggling of heroin were interdicted with a seizure of 119 g (992% of the previous year) of heroin. [See Chart 5.]

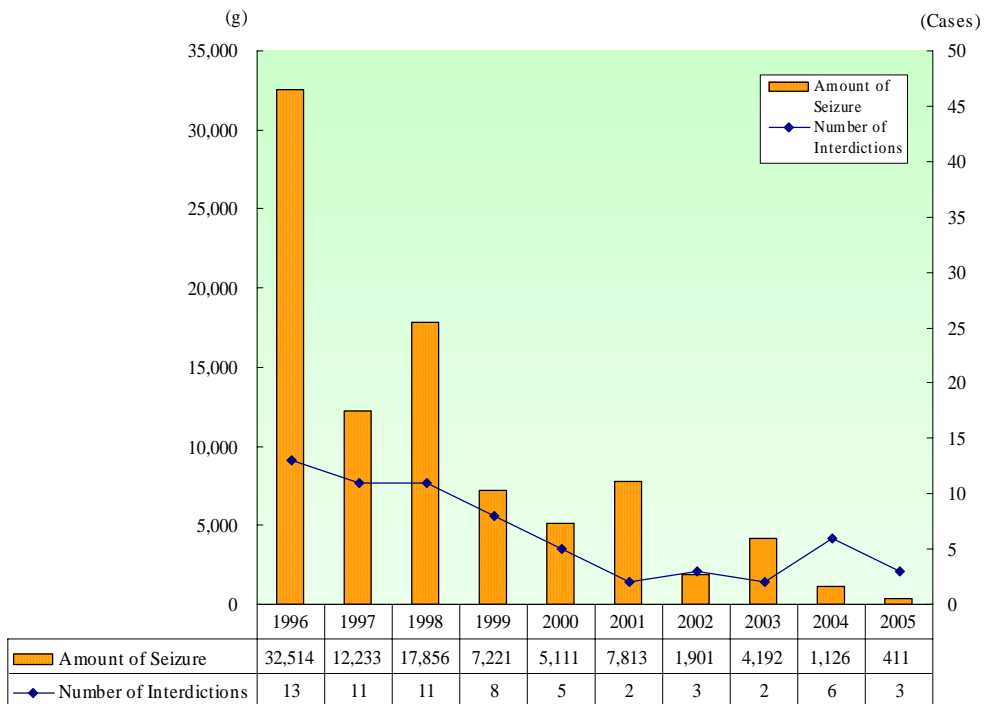
[Chart 5: Transition in the amount of seizure and the number of interdictions for heroin]



c. Opium, like heroin, is generally assumed to be produced mostly in the Golden Triangle and the Golden Crescent.

In 2005, 3 cases (50% of the previous year) of smuggling of opium were interdicted with a seizure of 411 g (37% of the previous year) of opium. [See Chart 6.]

[Chart 6: Transition in the amount of seizure and the number of interdictions for opium]

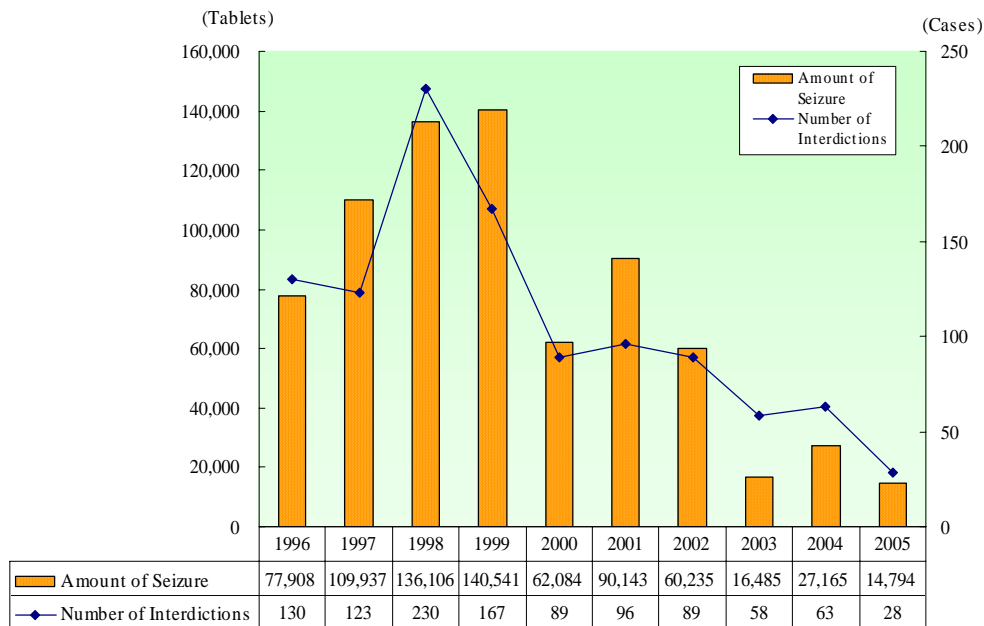


- d. Psychotropics is a generic term for substances which have tranquilizing, stimulative or hallucinatory effects on the central nervous system.

The number of interdictions in 2005 was 28 (44% of the previous year's level), and the amount of seizure was 15 thousand tablets (55% of the previous year's level). [See Chart 7.]

Major sources for smuggling in 2005 were the Asian region, including Thailand and the Philippines, and smuggling from these countries accounted for some 90% of the total amount of seizure.

[Chart 7: Transition in the amount of seizure and the number of interdictions for psychotropics]



Other Smuggling Cases: **smuggling of child pornography**

Import and export as well as manufacturing, possession, transportation, and so on of child pornography for provision is prohibited by the Child Prostitution Law (Law for Punishing Acts Related to Child Prostitution and Child Pornography, and for Protecting Children) and was added as contrabands of import provided in the Customs Tariff Law in April 2005 (contrabands of import have been defined by the Customs Law since April 2006, based on the tariff reform for FY2006).

In August of the same year, customs interdicted DVDs falling under child pornography during Customs import inspection of international mail services that arrived from Thailand, and later customs accused one Japanese man who had displayed the relevant DVDs on internet auctions and dispatched them to Japan for the first time as a smuggling offence case of child pornography.

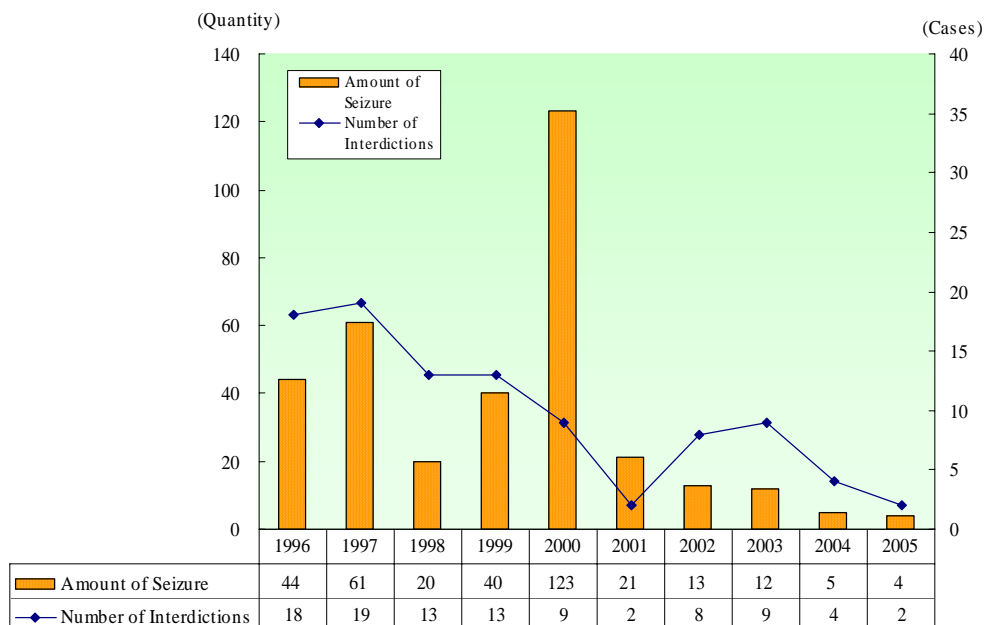
3. Trends in Firearms Smuggling

Genuine handguns seized within the country in 2005 were mostly made in foreign countries such as the United States, Russia and the Philippines (the National Police Agency's data).

Thus, most of the handguns seized within the country are considered to have been smuggled from overseas. In contrast to the year 2000 in which large-scale smuggling cases were interdicted, the number of interdiction and the quantity of seized items have been at low levels in the recent years.

The number of interdictions for firearms in 2005 was 2 (50% of the previous year's level), and the number of seized firearms was 4 (80% of the previous year's level). [See Chart 8.]

[Chart 8: Transition in the number of seizures and the number of interdictions for firearms]



Other Smuggling Cases: **smuggling of articles infringing intellectual property rights**

Along with socially harmful goods, articles infringing intellectual property rights are designated as import-prohibited goods by the Customs Law. Most of the cases of smuggling for articles infringing intellectual property rights that were interdicted by the Customs as a customs offenses involved counterfeit brand products that infringed on trademark rights. Most of the cases were smuggling from China and South Korea via international mail services or using passenger's accompanied personal effects.

In 2005, Customs disposed 67 cases of smuggling cases of goods infringing IPRs including the first accusation of the smuggling case of "Hinomidori" variety of igusa infringing a breeder's right.