The group recognizes that the North Korean nuclear crisis poses a serious challenge to the NPT regime and the future regional security. The group had discussions based on our consensus on (1) the nuclear-free Korean Peninsula, (2) peaceful dialogue for opening a window of opportunity, (3) peace & stability of East Asia. The group agrees that any nuclear test would be an unmitigated disaster. The group discussed the following issues.

North Korean Nuclear Crisis and the 4th 6-Party Talks

- The group paid much attention to understanding Pyongyang's perception regarding the nuclear crisis. Pyongyang suffers from a severe sense of insecurity and betrayal due to various incidents such as nuclear blackmailing during the Korean War and a potentially offensive posture of the US forces against N. Korea, accession to the NPT upon the Soviet's inducement, and economic crisis. Such severe circumstances and isolation can easily formulate an autistic perception. Thus it is important for the 6-party talks to formulate convincing measures to have N. Korea feel easy and safe.

- Pyongyang sincerely wishes political recognition of its regime particularly from the US in the form of security guarantee, and eventually the peace treaty. Since rapprochement with the US and Japan is regarded to be yet remote, two Koreas would go ahead with mutual recognition of their respective sovereignty, which is to be followed by proactive economic and industrial engagement. The time is ripe for the North-South rapprochement.

- Since the early 1990s, the N. Korean nuclear crisis has gone through a number of lost opportunities, misjudgement out of distrust, lack of communication, lack of coherent policy and divided decision-making among
the governments involved. Geo-politics of the region also complicate the situation.

- An enriched uranium issue could make a formidable bottleneck to a peaceful diplomatic solution. Pyongyang is not ready to discuss on the issue in the 6-Party talks, because complete denuclearization is synonymous to disarmament in Pyongyang's eyes. Thus, the 6-party talks might put aside the enriched uranium issue. For the US, on the other hand, N. Korean attitude on the uranium issue is a benchmark of Pyongyang’s sincerity on denuclearization. Accepting N. Korea as de facto nuclear weapon state would make a fatal precedent and damage to the NPT regime, which might cause dangerous spill-over effects on other parts of East Asia and elsewhere.

- The Japanese abduction issue is a highly sensitive issue, triggered by both Pyongyang's and Tokyo's miscalculation. The historical legacy also affects the issue. Neither Pyongyang nor Tokyo has a clear definition of the issue's resolution. The issue might well be addressed in a broader context of human rights and welfare issue.

**Sino-Japan Relation and East Asian Security**

- The group agreed upon the importance of the 'shared future' across national boundaries in dealing with the legacy of history. The historical legacy and Japan's war crime issue have surged frictions with China and Korea with almost regular intervals in the past two decades, such as Yasukuni Shrine and a history textbook. But recent incidents show that such historical legacy issues are now linked to geo-politics such as territorial disputes. In Japan, the war legacy used to be an issue of ideological confrontation between the conservative and radical liberals. A particular war memory is to be balanced with relativity. For instance, in the past, the Hiroshima memorial museum had exhibitions of only the atom-bomb victims. Now exhibition on Japan's past invasion war is added to give a more balanced picture of the war. Urged are intellectual efforts to learn a universal lesson from particular historical incidents.

- Politicization of war memories is a dangerous deed. While war memories tend to stay emotional, governments tend to exploit war memories for their political agenda, which in turn harm their foreign policies and strategy by
narrowing their own policy-options. Rather, more efforts are to be made toward the 'shared future'.

- Sino-Japan relations have been susceptible to partial perceptions affected by the war legacy. History shows that improved mutual-perceptions upon objective understanding of historical facts help solving major diplomatic and territorial issues, as was the case with the US-China relations in the 1970s. Thus, reconciliation between China and Japan is vitally important to achieve a win-win situation on many pending issues between the two countries.

Impacts of the energy issue in East Asian Security

- China-Japan competition over energy intensifies. For instance, the two countries are competing over oil in Iran/the Middle East and Russia. China is vigorously approaching to the Middle East for energy deals. Japan's alleged Azadegan oil business with Iran was constrained by the US for the concern over Iran's uranium enrichment program. Fossil fuel replacement by other energies is yet remote.

- The energy issue affects geo-politics and strategy. In China, the energy issue is related to geo-political issues such as Taiwan and the Malacca Strait. Like Japan in the 1970s, China is expanding its diplomatic scope for securing its energy sources to diversify its oil supply sources into the Middle East, Central Asia and Russia. China-Japan competition over oil of Iran, Saudi Arabia, and Russia is noteworthy.

- Surging energy consumption and demands in the region could cause a risk of energy conflicts. There is already a sign of the risk in the East China Sea, Senkaku/Diaoyu Islands. For oil business with Iran, Beijing has stated is opposition to bringing the issue of Iran's uranium enrichment program before the UN Security Council. Energy issues can inflict negative impacts on security issues, if not addressed properly.

- There is a possibility of regional cooperation on other related issues, such as technological cooperation for liquid natural gas and anti-pollution devices, an area in which Japan is pre-eminent. There has been much discussion,
albeit with little concrete actions, on Northeast Asian energy cooperation, connecting by pipelines Mongolia, Russia, China, two Koreas and Japan.

- Anticipated shortage of oil resources prompts efforts of nuclear energy, which has many side-effects. Nuclear energy technology transfer, as dual-use technology, should be scrutinized carefully.

- Finally, the group discussed on China's nuclear weapon policy, regarding a PLA major-general's recent controversial remarks on China's no-first-use policy. The Chinese government thereafter reiterated its non-first-use policy, however. De-emphasizing of nuclear weapons and improvement of the security milieu are necessary.