Defense Programs and Budget of Japan
Overview of FY2014 Budget Request

Ministry of Defense
### Overview of FY2014 Budget Request

#### Concept of FY2014 Budget Request

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1. The 2014 budget will be requested based on the discussions conducted by the Defense Posture Review Commission on the National Defense Program Guidelines which is scheduled to be revised by the end of this year.

2. Japan will improve its defensive power, focusing on the priority issues listed in the “Defense Posture Review Interim Report” in order to strengthen our defense posture in the current security environment, including the southwest region of Japan. Current issues are: strengthening ISR capabilities; responding to attacks on remote islets; responding to ballistic missile and guerilla/special force attacks; responding to cyber attacks; large-scale natural disaster response; strengthening joint operations; strengthening intelligence capabilities, and; promoting use of outer space.

3. In light of the current fiscal austerity, Japan will promote efficient equipment acquisition efforts.
Defense Posture Review Interim Report

Background

- Given the following developments, GOJ decided to review the National Defense Program Guidelines (NDPG) by the end of 2013, and the Ministry of Defense (MOD) established the “Defense Posture Review Commission” in January.
- The regional security environment has become more tense, evidenced by China’s increasing activities in Japan’s vicinity as well as North Korea’s missile launches.
- The U.S. is emphasizing its presence in the Asia-Pacific in cooperation with allies including Japan.
- Lessons from SDF’s activities following the Great East Japan Earthquake need to be addressed.
- The Commission focused on development of joint operations and made an interim report on the directions and issues through its deliberations. The report was briefed to the Defense Council on July 26.

Summary of Interim Report

1. Security environment: Global and surrounding security environment of Japan (next page)
2. Japan’s own efforts: Strengthen government-wide comprehensive efforts
3. Strengthen Japan-U.S. alliance:
   - Further strengthen defense cooperation through discussions of roles and missions Japan should carry and review of Guidelines for U.S.-Japan Defense Cooperation.
   - Steadily proceed with realignment of U.S. Forces Japan, maintain U.S. deterrence while mitigating local impact in particular on Okinawa.
4. Promote cooperation in Asia-Pacific region and stabilize global security environment:
   - Strengthen cooperation with U.S., Australia, South Korea; promote dialogue and exchanges with China and Russia; expand capacity building assistance.
   - Stabilize security environment in cooperation with international community including NATO; actively promote international peace cooperation activities.
5. Defense posture: (next page)
   - Conduct capability assessment based on joint operations to ensure effectiveness of defense posture in responding to various contingencies. Based on the assessment so far, areas to be emphasized for defense build-up are as follows:
     - Strengthen ISR capabilities
     - Respond to attacks on remote islets
     - Respond to BM and guerilla attacks
     - Respond to cyber attacks
     - Respond to large-scale natural disasters
     - Strengthen joint operations
     - Strengthen capability to operate overseas
     - Active efforts for maritime security
6. Foundations for defense capabilities:
   - Exercises and training: Continuously verify various contingency response plans through regular exercises in peacetime; make full use of environment that enables sufficient exercises (i.e. Hokkaido).
   - Operational foundation: Strengthen resilience of bases and others; maintain facilities/lodgings; secure ammunition; raise operational rate.
   - Human resources: Deepen consideration of various human resource management measures (including expanding reserves).
   - Military medicine: Modernize and functionally upgrade military medicine; improve medevac capabilities in contingency situations.
   - Defense production and technology base: Maintain and strengthen defense production and technology base; examine status of implementation of three principles on arms exports and take necessary measures; conduct future-oriented R&D including on unmanned equipment such as robots, cyber, and outer space.
   - Strengthen cooperation with local communities: Consider status of local offices.
   - Public relations.
7. Linkage with MOD reform:
   - MOD reform being discussed in separate “MOD Reform Commission” established in February this year.
   - To prevent recurrence of incidents of misconduct and make the SDF more active and efficient, promote reforms to ensure that civilian and uniformed staff work together, strengthen joint operations, and pursue an efficient workflow and organization for defense build-up with optimal resource allocation from joint and whole-of-SDF perspectives. (Beyond individual service-led resource allocation).
8. Point of note:
   - Annex table for force structure should be maintained from perspective of defense build-up from mid- to long-term outlook.
Various security issues and instability factors (see below) have emerged and intensified since the 2010 NDPG, while the importance of preparing for large-scale disasters has been reconfirmed domestically.

- Prolonged gray zone situations or possibility of situational deterioration
- China’s lack of transparency in its broad and rapid military modernization as well as rapid expansion and intensification of maritime activities
- North Korea’s further nuclear and missile development
- Increased possibility of obstruction of stable use of cyber space etc.

Given the increasingly tense environment, MOD has conducted capability assessments based on joint operations, focusing on the SDF’s functions and capabilities as a whole, to establish functions and capabilities that should be prioritized, in order to pursue more effective build-up of defenses. The MOD will actively conduct defensive improvements from a joint and overall perspective, by clarifying prioritized issues for future defense build-up. Major issues to be prioritized are as follows.

**Direction of SDF defense build-up to be prioritized**

**Strengthen ISR capabilities**
- Improvement of early detection capability in various contingencies. Consider such measures as introducing HALE-UAVs that would contribute to strengthening wide-area persistent ISR capability.

**Respond to attacks on remote islets**
- To effectively respond to attacks on remote islets, air superiority and command of the sea must be maintained. To rapidly deploy troops as the situation unfolds, mobile deployment capability and amphibious capability are also important.
- To steadily build-up such mobile deployment capability, consideration of the optimal deployment posture of troops and equipment, joint transport, utilizing civilian transport capacity, creating supply bases, and properly equipping the new unit for the amphibious mission are important.

**Respond to ballistic missile and guerilla/special force attacks**
- Given North Korea’s improved ballistic missile capability, consider strengthening deterrence and response capability by improving Japan’s comprehensive defense posture against ballistic missile threats, thereby enhancing comprehensive response capability. In addition, consider building an operational foundation in case of simultaneous special force attacks that occur under a ballistic missile attack, as well as capability to protect critical infrastructure such as nuclear power plants.

**Respond to cyber attacks**
- As no organization can single-handedly defend itself from cyber attacks, consider appropriate division of responsibilities among government ministries as well as strengthening coordination and cooperation with countries such as the U.S. and with the private sector. Additionally, consider policies to steadily introduce necessary equipment and train specialists.

**Respond to large-scale natural disasters**
- Secure necessary transport capacity to enable large-scale, rapid deployment of troops, and enhance training and exercises, in order to be fully prepared for earthquakes such as the Nankai Trough Great Earthquake and Tokyo Inland Earthquake that are expected to occur in the future.

**Strengthen joint operations**
- Given the importance of joint operations, reconsider the capabilities and the role of the Joint Staff, and deepen consideration of establishing a central command organization of the GSDF and defining the relationship of this organization with the regional Army organizations.

**Strengthen intelligence capabilities**
- Consider strengthening human intelligence collection functions including defense attachés, expanding collection functions including geospatial intelligence, and fundamentally strengthening the programs which secure and develop information analysts.

**Promote use of outer space**
- Deepen consideration toward use of outer space to strengthen C4ISR capabilities, through such means as coordination with countries such as the U.S. on space situational awareness and effective use of various satellites.

*C4ISR: Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance*
In order to enhance our defense posture especially in the southwest region, Japan will develop the defense power necessary to strengthen ISR capabilities, respond to attacks on remote islets, ballistic missile and guerilla/special force attacks, cyber attacks and large-scale natural disasters, strengthen joint operations, strengthen intelligence capabilities, and promote use of outer space.

(1) Strengthen ISR capabilities

Improvement of early detection capability in various contingencies. In this vein, consider such measures as introducing HALE-UAVs that would contribute to strengthening wide-area persistent ISR capability.

① Enhancement of warning and surveillance capability including the Southwest region of Japan

- Study for introduction of airborne early-warning aircraft (¥4 million)
  - Conduct studies on performance, operations, etc. of new airborne early-warning aircraft toward their introduction so as to enhance the warning and surveillance capability in the surrounding airspace, including the southwest region.
  - *Start a full-scale research study with the purpose of requesting the budget related to the introduction of new airborne early warning aircraft in FY2015.*
- Improvement of the capability of Airborne Warning And Control System (AWACS)(E-767) (¥13.6 billion)
  - Implement a project for the conversion of central computing devices, etc. and installation of electronic warfare support measures in order to improve the warning and control capability of the existing E-767.
  - Acquire necessary parts for improving the capability of 4 aircraft in FY2014.
- Reorganization of the AEW group
  - In order to develop a system for stable implementation of unceasing and continuous warning and surveillance in the southwest region, reorganize the AEW group to establish the second Airborne Early-Warning Group (provisional name) consisting of AEWA (E-2C) at Naha Base.
Enhancement of Defense Posture in the Southwest and Other Regions

I. Enhancement of Defense Posture in the Southwest and Other Regions

- Acquisition of maintenance equipment for the establishment of the Second Airborne Early Warning Group (provisional name) (¥1.3 billion)
  - Acquire maintenance equipment used at Naha Base for maintenance necessary for establishment of the group.

II. Enhancement of information gathering, warning and surveillance capabilities in the waters surrounding Japan

- Acquisition of fixed-wing patrol aircraft (P-1) (4 units: ¥ 77.3 billion)
  - Acquire P-1 with improved detection/discrimination capability, flight performance, information processing capability, and attack capability as a successor to existing fixed-wing patrol aircraft (P-3C).

- Construction of a destroyer (DD) (1 ship: ¥ 73.3 billion)
  - Construct the second 25DD-class multi-purpose destroyer (5,000t class) with improved capability to detect submarines and higher fuel efficiency, in response to a reduction of Hatsuyuki-class destroyers

- Construction of a submarine (SS) (1 ship: ¥ 51.3 billion)
  - Construct the 10th Soryu-class submarine (2,900t class) to increase the number of submarines from the current 16 ships.

- Construction of a rescue ship for multiple purposes, including disaster relief activities (1 ship: 50.8 billion)
  - Construct a new submarine rescue ship (ASR: 5,600 t class) to succeed the submarine rescue mother ship “Chiyoda” for the rescue of submarine crews in case of an accident and provision of medical and other support to victims of a large-scale disaster.
  - In preparation for a large-scale disaster, enhance medical functions including two surgical beds and about 10 sickbeds for use as a base for medical, assisted living and bathing support to victims.
  - When a water accident, etc. has occurred, divers with high level of saturation diving skill will search for missing persons while ROV will check the condition of sunken ships

*1 DSRV (Deep Submergence Rescue Vehicle): deep sea rescue ship that goes underwater to rescue crews from submarines in distress

*2 ROV (Remotely Operated Vehicle): remote-controlled unmanned probe to check the condition of submarines in distress and assist rescue by DSRV
○ Life extension of destroyers
  (life extension work for 6 ships and parts procurement for 11 ships: ¥10.0 billion)
  • Implement life extension measures of Hatsuyuki-class (5 ships), Asagiri-class (5 ships),
    Abukuma-class (6 ships), and Hatakaze-class (1 ship) destroyers to maintain the posture
    of destroyers

○ Life extension of submarines
  (life extension work for 1 ship and parts procurement for 2 ships: ¥0.6 billion)
  • Carry out life extension measures for Oyashio-class submarine in order to
    increase the number of submarines from current 16 ships.

○ Life extension of fixed-wing patrol aircraft (P-3C) (3 units: ¥1.5 billion)
  • Implement life extension measures for P-3C to maintain the number of fixed-wing patrol aircraft

○ Capability improvement for fixed-wing patrol aircraft (P-3C) (¥1.2 billion)
  • Install devices necessary to improve capabilities of radars and infrared
    detection systems in order to improve detection/discernment capability
    of fixed-wing patrol aircraft (P-3C)

○ Study and research on the compatibility of ship-based unmanned
  aircraft with MSDF vessels (¥2 million)
  • Conduct study and research on existing unmanned aircraft that can be
    used on a vessel, including the technical trends, flight performance of
    each type, operability, on-board equipment such as weapons and
    sensors, and compatibility with MSDF vessels with a view to their
    introduction.
③ Development of warning and observation systems along the border

- Deployment of a coastal observation unit, etc. to Yonaguni Island (¥15.5 billion)
  - Acquire early detection coastal observation devices capable of observing ships and aircraft passing through surrounding areas in preparation for the establishment of coastal observation unit.
  - In addition, start the construction of government buildings based on the design and site preparation works which is to be implemented in FY2013.

④ Research for the introduction of high-altitude long endurance unmanned aircraft

- Research for the introduction of HALE-UAVs (¥0.2 billion)
  - Carry out analysis of performance information, etc. for the HALE-UAVs that would contribute to improved wide-area persistent ISR capability, and limiting danger to and burdens on crews.

  *Start a full-fledged research study with the purpose of requesting the inclusion of HALE-UAV-related expenses in the FY2015 budget.
(2) Respond to attacks on remote islets

To effectively respond to attacks on remote islets, air superiority and command of the sea must be maintained. To rapidly deploy troops as the situation unfolds, mobile deployment capability and amphibious capability are also important. To steadily build-up such mobile deployment capability, consideration of the optimal deployment posture of troops and equipment, joint transport, utilizing civilian transport capacity, creating supply bases, and properly equipping the new amphibious unit for the amphibious mission are important.

1 Development of amphibious capability

- Establishment of the Amphibious Preparatory Unit (provisional name)
  - In order to establish units specialized in amphibious operations as soon as practicable, formulate the Amphibious Preparatory Unit (provisional name) in GSDF, gather and organize pertinent information contributing to the development of amphibious capability through various kinds of verification of amphibious vehicles, etc.

- Develop education and training bases for the enhancement of amphibious capabilities (1.5 billion)
  - Create the education and training foundations critical to the early development and eventual realization of a fully-capable amphibious unit.
  - Install new equipment for emergency escape training from a helicopter.
  - Install new equipment for water infiltration training.

Operational image of the Amphibious Preparatory Unit (provisional name) (Graphic Image)
Enhancement of vessel’s amphibious capabilities (¥0.4 billion)
- Upgrade MSDF Osumi-class transport vessels to enhance transport capability related to amphibious operations.
- In FY2014, apply nonslip paint on LCAC deck, which is necessary for the storage of amphibious vehicles, in addition to trial design, etc. for large-scale upgrading in the future.
- In order to strengthen command functions in amphibious operations, install electronic conference equipment, etc. in the multipurpose compartment of Izumo-class destroyers.

Purchase of samples of amphibious vehicle (2 units: ¥1.3 billion)
- Begin development of amphibious capability to recapture remote islets in preparation for response to illegal operations and island invasions.
- In FY2013 budget, acquire sample AAV7RAM/RS (personnel transport) to examine its performance, including sea mobility and defense capability, operation records in other countries, early availability, etc.
- In FY2014, in addition to checking the performance and testing the operation of AAV7RAM/RS mentioned above, acquire additional variations; one command and communication vehicle, and one recovery vehicle.

Implementation of field training exercises in the U.S. for enhancement of amphibious capability
- Bilateral field training exercise with U.S. Marine Corps in the U.S. (Iron Fist) Send GSDF units to the area around Camp Pendleton, California, USA, in order to maintain and improve tactical capabilities necessary for operations on remote islets as well as enhance mutual cooperation with U.S. Marine Corps through actual actions.
  - GSDF’s participation in RIMPAC
In addition to MSDF, which has been participating in the exercise, also send GSDF units to the Rim of the Pacific Exercise (RIMPAC), which is organized by the U.S. Navy and has many participating countries, to engage in various exercises, including humanitarian assistance and disaster relief operations, together with the U.S. Marine Corps and other participants.
② Enhancement of transportation capability and mobility for rapid deployment

- Research study for the introduction of tiltrotor aircraft (¥0.1 billion)
  - Analyze performance information of tiltrotor aircraft and its key procedures after the possible introduction of the aircraft.
  *Start a full-scale study with the aim of requesting the budget related to the acquisition of tiltrotor aircraft in FY2015.

- Acquisition of transport helicopter (CH-47JA) to enhance air mobility and transport capability (2 unit: ￥11.4 billion)

- Restoration of transport helicopters (CH-47J) to maintain tactical aircraft capacity (1 unit: ￥3.5 billion)
  - Extend the total flight time of transport helicopters (CH-47J) to that of new ones while extending their flying range

- Acquisition of multipurpose helicopter (UH-60JA) (1 unit: ￥3.8 billion)

- Acquisition of Transport aircraft (C-2) with improved flying range and increased cargo weight capacity, which will contribute to large-scale deployment, as a successor to existing transport aircraft (C-1) (3 units: ￥60.3 billion)

- Promotion of measures enhancing civilian transport capacity
  - Implement exercises actively using civilian transport capacity (charter ships) in order to enhance mobile deployment capabilities (GSDF) (￥1.1 billion)
  - Study on measures to utilize civilian transport capacity in mobile deployment (Joint Staff (JS)) (￥50 million)

- Army-size field training exercises (GSDF)
  - In order to ensure prompt and effective response to various contingencies including a possible attack on remote islets, implement unit deployment exercises at army level to enhance its mission readiness.

- Combined long-distance Mobilization Exercise (GSDF)
  - Implement unit deployment exercises to, Kyushu and Okinawa, as well as Hokkaido which have ideal training environments, to accomplish MSDF and ASDF coordination training.
Ensuring air superiority

○ Acquisition of next-generation fighter aircrafts (F-35A) (4 units: ¥69.3 billion*)
  * ¥56.0 billion is allocated separately as the initial expense for expanding the industrial participation of domestic corporations.
  * ¥37.4 billion is allocated separately for other related expenses (equipment for education, etc.)

○ Development of education/training facilities for stationing next-generation fighters (F-35A) at Misawa (¥2.7 billion)

○ Fighter aircraft upgrades (¥38.6 billion) Upgrade capabilities of existing fighters to adapt to the modernization of the aerial combat capabilities of neighboring countries and to appropriately carry out air defense operations.
  - Modernize F-15 (12 units: ¥15.0 billion)
  - Improve self-defense capability of F-15 (1 unit: ¥2.5 billion)
  - Upgrade on-board NVG**1 of F-15 (1 unit: ¥80 million)
  - Improve F-2 air-to-air combat capability (¥13.2 billion**2)
  - Add JDAM**3 function to F-2 (4 units: ¥1.1 billion)
  - Trial upgrading of F-2 with on-board targeting pod (1 unit (trial upgrading expense: ¥6.7 billion**4)

* NVG (Night Vision Goggles): night vision equipment
** Including acquisition of radars for upgrading (30 sets: ¥9.4 billion) in addition to fuselage upgrading (12 units: ¥3.8 billion)
*** JDAM (Joint Direct Attack Munition): bomb with pinpoint guidance
**** Several hundred million yen per unit is expected for mass upgrading.

○ Development of facilities and acquisition of maintenance equipment to increase the number of squadrons at Naha Air Base to 2 (ASDF) (¥ 5.3 billion)
### Ensuring sea superiority and safety of maritime transportation

- Construction of a destroyer (DD) (repost)

- Construction of a submarine (SS) (repost)

- Construction of a rescue ship for multiple purposes, including disaster relief activities (repost)

- Construction of an ocean minesweeper (1 ship: ¥17.4 billion)
  - Construct a second 25MSO-class ocean minesweeper (690t class), based on a FRP hull while enhancing its detecting capabilities against submarine-targeted deep-water mines.

- Acquisition of patrol helicopters (SH-60K) (4 units: ¥25.6 billion)
  - Acquire patrol helicopter SH-60K with improved capability to detect submarines and increased attack capability as a successor to existing patrol helicopter SH-60J.

- Acquisition of fixed-wing patrol aircraft (P-1) (repost)

- Life extension of patrol helicopters (SH-60J) (2 units: ¥1.1 billion)
  - Implement life extension measures for SH-60J to maintain the posture of patrol helicopters

- Life extension of fixed-wing patrol aircraft (P-3C) (repost)
5 Improvement of SDF posture in the southwest region of Japan

○ Acquire a variety of equipment for early enhancement of defense posture in the southwest region

  • Acquire Type-12 surface-to-ship guided missile with improved range and accuracy as a successor to the existing Type-88 surface-to-ship guided missile (16 units: ¥30.2 billion)
  
  • Acquire middle-range multi-purpose missiles (18 sets: ¥7.1 billion)
  
  • Acquire LJDAM guidance system (13 sets: ¥90 million)
    Equip GSDF with laser guidance systems to provide ground-based guidance for LJDAM* dropped by ASDF F-2 and implement joint fire power guidance by GSDF and ASDF
    * LJDAM : Laser Joint Direct Attack Munitions
  
  • Acquire 60mm mortar (B) (12 sets: ¥20 million)

○ Study the establishment of first response units (¥60 million)

  • Develop a basic concept* for the establishment of first response units in charge of initial response in order to ensure response to various situations, including disasters in the southwestern region based on the results of the potential location survey to be conducted in FY2013.
  
  *The basic concept includes the development of a rough facility layout plan and construction time schedule as well as a rough estimation of construction costs to be used as the basis for later works.

○ Reorganization of the AEW group (repost)
Given North Korea’s improved ballistic missile capability, consider strengthening deterrence and response capability by improving Japan’s comprehensive defense posture against ballistic missile threats, thereby enhancing comprehensive response capability. In addition, consider building an operational foundation in case of simultaneous special force attacks that occur under a ballistic missile attack, as well as capability to protect critical infrastructure such as nuclear power plants.

**1. Respond to Ballistic Missile Attacks**

- **Upgrade of Aegis ships’ capability**
  - 2 ships: ¥10.2 billion
  - Continue upgrading two Atago-class destroyers with ballistic missile defense capability, which started in FY2012.

- **Acquisition of PAC-3 missiles (¥11.3 billion)**
  - Acquire necessary PAC-3 missiles and enhance defensive capabilities against ballistic missile attacks.

- **Japan-U.S. cooperative development of Advanced BMD Interceptor Missile (SM-3Block IIA) (¥5.1 billion)**
  - To improve capabilities against ballistic missile attacks, Japan and the U.S. will continue their cooperative development of an Advanced BMD Interceptor Missile (SM-3 Block IIA) to be deployed on Aegis ships.

- **Development of infrastructure for PAC-3 units deployment to Ichigaya Base (¥1.7 billion)**
  - Based on the past examples of PAC-3 units deployment at the launch of missile purported to be satellite by North Korea last year, etc. develop infrastructure for their deployment at Ichigaya Base.
Enhancement of Defense Posture in the Southwest and Other Regions

- Conversion of Fixed Air Defense Radar (FPS-7) and addition of BMD function (1 unit: ¥4.8 billion)
  - Replace the current FPS-2 radar at Mishima sub-base (Yamaguchi Prefecture) with FPS-7 while also adding BMD response function.

- Research study concerning future ballistic missile interception systems structure (¥40 million)
  - Use simulations, etc. to explore the most effective and efficient future BMD systems against ballistic missile threats to Japan, including new equipment.

Respond to guerilla/special force attacks

- Acquisition of 84mm recoilless rifles (B) (51 units: ¥0.4 billion)
  - Equip infantry, etc. with the rifles to defend important facilities while flexibly responding to a variety of contingencies, including special forces attacks.

- Acquisition of combat clothing and equipment (12,493 sets: ¥5.7 billion)
  - Use them in field and urban environments for secretive, nimble and agile actions while ensuring the safety of the personnel.

- Acquisition of nuclear/biological/chemical (NBC) Reconnaissance vehicle(1 unit: ¥0.7 billion)
  - Acquire NBC reconnaissance vehicle to improve wide-area reconnaissance capability in response to (NBC) attacks, special disasters, etc.

- Acquisition of personnel protection equipment (10,043 sets: ¥1.9 billion)
  - Acquire personnel protection equipment to enhance protection and quick reaction capabilities of personnel in an environment contaminated by an attack with special weapons or certain natural disasters.

- Exercises related to Civil Protection

- Cooperative exercises with the police
(4) Respond to cyber attacks

As no organization can single-handedly defend itself from cyber attacks, consider appropriate division of responsibilities among government ministries as well as strengthening coordination and cooperation with countries such as the U.S. and the private sector. Additionally, consider policies to steadily introduce necessary equipment and train specialists.

1 Improvement/enhancement of operational infrastructure

- Development of cyber information gathering devices (¥2.7 billion)
  - Develop information gathering devices that will help early detection and prevention of cyber attacks as threats in the cyberspace become increasingly complex and sophisticated.

- System design of security and analysis devices for cyber defense, etc. (¥1.9 billion)
  - Design a system for integrated response to cyber attacks targeted at the MOD toward the conversion of security and analysis devices for cyber defense.

- Improve functions of the security and analysis devices for cyber defense (¥0.4 billion)
  - Devices equipped with information collection, analysis and response/exercise functions concerning cyber attacks

- Development of Defense Information Infrastructure (DII) (¥13.5 billion)
  - Strengthen information sharing functions while enhancing security by applying the latest technology to the closed system of DII that is essential for secure command communications and prompt information sharing among the MOD and respective SDF units, and improve system security.
③ Human resource development

Initiatives to develop human resources to address cyber attacks (¥70 million)

- Send personnel to study at graduate schools in Japan and overseas
  Direct personnel to be educated, at graduate schools in Japan and overseas, etc. to learn latest knowledge and skills

- Train personnel at information security-related organizations related to information security, etc.
  In order to adequately address increasingly sophisticated and complex cyber attacks, direct personnel to attend workshops related to computer security and receive outsourced education to learn advanced practical and technical advanced skills based on the latest attack and defense techniques.

④ Enhancement of partnerships with other countries and private enterprises

Enhancement of partnerships with various countries (¥10 million)
- Working-level regular meetings on Japan-U.S. Information Assurance Working Group between Japan and the United States
- Interoperability Management Board
- Liaison conference of Pacific communication managers
- International conference on cyber conflicts
- Japan U.S. IT forum

Enhance partnerships with private enterprises (¥0.2 billion)
- Establish specific and effective guidelines for a partnership between MOD and the defense industry to respond to cyber attacks
- Introduce a new public-private information sharing system for MOD and the defense industry to promptly, efficiently and effectively share information concerning response to cyber attacks and to ensure information security
(5) Respond to large-scale natural disasters

Secure necessary transport capacity to enable large-scale, rapid deployment of troops, and enhance training and exercises, in order to be fully prepared for earthquakes such as the Nankai Trough Great Earthquake and Tokyo Inland Earthquake that are expected to occur in the future.

1. Maintenance/enhancement of functions of military camps/bases to serve as hubs of disaster response
   - Seismic retrofitting, etc. for maintaining and strengthening functionability during disaster periods (¥21.4 billion)

2. Implementation of exercises, etc. to respond to large-scale and unconventional disasters
   - Implementation of various disaster response drills.
   - SDF Joint Disaster Response Exercise
     - Implement SDF Joint Exercise for Rescue to maintain/improve SDF’s joint operation capabilities to respond to large-scale disasters at home in order to minimize damage.
   - Promotion of measures enhancing civilian transport capacity (repost).

3. Acquisition, etc. of equipment contributing to disaster response

   Improvement of disaster response capability
   - Research study for the introduction of tilt-rotor aircraft (repost)
   - Purchase of samples of amphibious vehicle (repost)
   - Construction of a rescue ship for multiple purposes, including disaster relief activities (repost)
   - Acquisition of transport helicopters (CH-47JA) (repost)
   - Restoration of transport helicopters (CH-47J) to maintain posture (repost)
   - Acquisition of multipurpose helicopter (UH-60JA) (repost)
   - Acquisition of transport aircraft (C-2) (repost)
   - Acquisition of rescue helicopter (UH-60J) (3 units: ¥11.4 billion)
   - Acquisition of mobility supporting bridge, 07MSB (2 sets: ¥2.3 billion)

Enhancement of capabilities to respond to Nuclear, Biological, and Chemical (NBC) weapons
   - Prevention of epidemics to perform operations in contaminated areas
     - Acquire smallpox vaccines (200 boxes: ¥4 million)
   - Detection/identification of contaminated substances
     - Acquire NBC reconnaissance vehicles (repost)
     - Acquire various types of dose-rate meters (154 sets: ¥0.4 billion)
     - Acquire NBC Alarms (2 sets: ¥0.4 billion)
   - Protection from contaminated substances
     - Acquire personnel protection equipment (repost)
     - Acquire chemical protective apparel (699 sets: ¥0.1 billion)
   - Decontamination of contaminated substances
     - Develop new decontamination equipment (¥0.2 billion)
(6) Strengthen joint operations

In order to strengthen the infrastructure for command control and communication that is a precondition of effective joint operations, Japan will consider measures to ensure communication functions in remote islets and abroad where equipment and communication infrastructure is weak.

① Strengthening of command, control and communication functions

- Improvement of command, control and communication functions
  Because our command and control system is still in the process of development and GSDF warfare has been greatly dependent on voice-based information sharing, GSDF has a challenge in effective operation in coordination with the MSDF and ASDF.
  - Improve air defense and the firing command and control system to enable cooperation with the MSDF and ASDF for effective air defense and anti-ship warfare by GSDF in the southwest region.
    - Acquire an air defense command and control system*1 (2 sets: ¥6.3 billion)
    - Acquire a firing command and control system*2 (3 sets: ¥3.7 billion)
    - Connect the firing command and control systems to MSDF’s command and control system (¥90 million)
  - In addition, conduct studies and research on the introduction of a data link function with GSDF SSM (surface-to-ship missile) units in order to share target information, etc. with MSDF and ASDF units in real time.
    - Study and research on the introduction of a data link function (¥30 million)

Example of a connection between GSDF SSM units and MSDF

*1 Air defense command and control system
System installed in anti-aircraft artillery units of GSDF Army, divisions and brigades for speedy and accurate collection, processing and communication of target information and air defense command and control

*2 Firing command and control system
System installed in field artillery units of GSDF Army, divisions and brigades for speedy and accurate collection, processing and communication of target information and firing command and control
• Convert the GSDF command and control system into software and install it on field communication systems to enable sharing of data necessary for combat down to front-line forces, developing infrastructure for the strengthening of joint operation while enabling the exchange of secret data between Japan and the United States

∇ Integrate field command communication systems (¥8.0 billion)

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**② Enhancement of education and training**

- Implementation of Japan-U.S. bilateral joint exercise (Keen Sword)
  - In order to ensure a smooth Japan-U.S. bilateral response for the defense of Japan, implement field training exercises that include maritime and air operations, base defense and mobile deployment of units at sea, airspace surrounding Japan, and bases in order to maintain and enhance coordination procedures at the unit-level between the two forces.

- Implementation of joint logistics exercise
  - In order to improve logistics capability in joint operation posture, implement field training exercises, etc. of logistical units for various contingencies with a focus on the coordination procedures of the SDF logistics, supply and patient transport.

- SDF Joint Disaster Response Exercise (repost)
(7) Strengthen intelligence capabilities

Consider strengthening human intelligence collection functions including defense attachés, expanding collection functions including geospatial intelligence, and fundamentally strengthening the programs which secure and develop information analysts.

In light of the terrorist attack on Japanese nationals in Algeria this January, Japan will strengthen its intelligence structure.

- Strengthening of the Defense Attaché system in Africa, etc.
  - Strengthen the system by sending a Defense Attaché to African regions where useful information for Japan is available and to countries that have a close relationship with the region.

- Establishment of the “Intelligence Research Office (provisional name)” at the Defense Intelligence Division, Bureau of Defense Policy
  - Enhance the system for planning basic policies concerning human intelligence functions, including the Defense Attaché, and supporting their activities.

- Enhancement of training of Defense Attaché candidates
  - Enhance training of Defense Attaché candidates to improve their information gathering/analysis and negotiation capabilities.

- Expansion of fundamental data development for geospatial intelligence
  - Expand the current fundamental data development work for geospatial intelligence with an emphasis on regions where there is increased probability of terrorist attacks, especially in North Africa.

- Enhancement of research on geospatial intelligence
  - Enhance the research posture, etc. for enabling sophisticated and efficient development and utilization of geospatial intelligence at the Defense Intelligence Headquarters.

*In addition, it is planned to send a Defense Attaché to Brazil for the first time, in Latin America, where currently no Defense Attaché is assigned.*
(8) Promote use of outer space

Deepen consideration toward use of outer space to strengthen C4ISR* capabilities, through such means as coordination with countries such as the U.S. on space situational awareness and effective use of various satellites

*C4ISR: Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance

Space Programs

<table>
<thead>
<tr>
<th>Space-related budget: ¥54.4 billion</th>
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</table>

- Research for enhancement of C4ISR* capabilities using outer space (¥0.4 billion)
  - Technical study and PFI feasibility study on successor to the current X-Band communications satellite (Superbird C2) (¥60 million)
  - Study on protection of satellite communication system from jamming (¥10 million)
    Research on analysis methods of interfering signals that affect satellite communications systems

- Use of satellite communication (¥20.0 billion)
  - Improvement of X-Band satellite communications, lease of transponders for communications satellites, etc

- Use of commercial imagery satellites (¥8.4 billion)
  - Receive commercial satellite imagery, etc

- Use of meteorological satellite information (¥6 million)

- Send personnel to the U.S. Air Force Space Fundamentals Course (¥9 million)

- Response to ballistic missile attacks* (¥25.6 billion)
  *Space-related programs

Initiatives for outer space monitoring

- Feasibility study for developing and maintaining Space Situational Awareness* system (¥10 million)
  * Space Situational Awareness: Monitoring space objects based on the orbit information registered in the database by detecting and identifying satellites and space debris

- Research on FPS-5’s capabilities for detecting and tracking satellites (¥50 million)

Research on satellite protection of MOD/SDF (¥20 million)
- Research on future satellite protection to ensure stable use of outer space by MOD/SDF.
In order to reduce the burden on Okinawa and other local communities while maintaining the appropriate deterrent force of the US military, Japan will steadily implement concrete measures concerning realignment of the USFJ, etc.

II Strengthen Japan-U.S. alliance

(1) Measures for reducing the burden on local communities

- Relocation of U.S. Marine Corps from Okinawa to Guam
  Funding for projects necessary for the relocation of U.S. Marine Corps from Okinawa to Guam, etc.
- Realignment-related measures in Japan
  - Relocation of MCAS Futenma
  - Return of land south of Kadena Air Base
  - Return of a portion of the land, etc. at Sagami General Depot
  - Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni, etc.
  - Relocation of training for U.S. aircraft to mainland Japan and Guam from Kadena Air Base and other airfields
  - Community development measures (realignment grants, etc.)

Regarding measures for reducing the burden on local communities, with the view that it is important to implement the projects as soon as possible, it is necessary to reflect the results of coordination with the local communities, the U.S. Forces and others into the process of budget compilation. They will be considered through the process and necessary measures will be taken.

(2) SACO-related cost

- Temporarily set the same amount as the previous fiscal year: ¥ 88.9 billion
- Temporarily set for the same amount as the previous fiscal year: ¥ 9.1 billion

Regarding the measures not subject to change under the Japan-U.S. Security Consultative Committee (2+2) Joint Statement, Japan will continue to steadily implement these measures included in the Special Action Committee on Okinawa (SACO) Final Report.
III Promote cooperation in Asia-Pacific region and stabilize the global security environment

In order to promote cooperation in the Asia Pacific and stabilize the global security environment, Japan will further promote various cooperation initiatives in humanitarian assistance, disaster relief and other fields, as well as bilateral and multilateral dialogues. Japan will also work on enhancing SDF capabilities for its overseas activities so that it can proactively engage in activities such as non-proliferation of weapons of mass destruction and ballistic missiles, anti-terrorism/piracy operations, and UN peace-keeping operations.

(1) Promotion of cooperation in the Asia Pacific

○ Capacity building for militaries or related organizations in South-East Asian countries
  • Take initiatives in the promotion of human resources development and capacity enhancement in the field of non-traditional security, such as humanitarian assistance and disaster relief for militaries or related organizations in relevant countries.

○ Promoting bilateral, trilateral and multilateral defense cooperation and exchanges, including those with Australia, ROK and India, as well as Japan-U.S.-ROK and Japan-U.S.-Australia defense cooperation.

○ Promotion of defense exchange and cooperation with China, including beginning the operation of the Maritime communication mechanism.

○ Promotion of defense exchange/cooperation with Russia by holding a Foreign and Defense Ministers’ (2+2) talk, etc.

○ Initiatives under the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus)
  • Actively enhance regional defense and security cooperation through the defense ministers’ Meeting, which is the only official meeting of its kind in the Asia-Pacific.

○ Participating in Pacific Partnership (PP) 2014
  • Visit countries in the Asia-Pacific region to provide medical services, hold intercultural events, etc. Through cooperation with governments, militaries, international organizations, and NGOs, the PP strengthens partnerships among participating countries and facilitates international disaster relief operations.
(2) Initiatives for stabilization of the global security environment

* Enhancement of capability to conduct overseas activities

- Armored personnel carrier development (improved) (4.7 billion)
  - In order to respond to a variety of threats accompanying international peace cooperation activities, attacks on remote islets, etc. develop transportable and maneuverable armored personnel carrier (improved) with improved mobility (including traveling on rough roads) and enhanced defense power as a successor to Type-96 armored personnel carrier

- Participation in multilateral exercises
  - Multilateral exercises, such as Cobra Gold, related to UN peacekeeping activities

- Participation in an international mine-countermeasures exercise hosted by the U.S. Navy
  - Implement a multinational mine-countermeasures exercise in the Persian Gulf in order to improve skills in minesweeping and diving while simultaneously promoting mutual understanding with participating navies

- Acquisition of water purification systems that can turn seawater into potable water (GSDF) (3 sets: ¥0.3 billion)

- Acquisition of 10t truck (with PLS*) to ensure smooth transportation of goods during international peace cooperation activities (GSDF) (1 unit: 0.1 billion)
  * PLS (Palletized Load System): Arm-shaped equipment used to load containers

- Installation of Traffic alert and Collision Avoidance System (TCAS) on transport aircraft (C-130H) (ASDF) (2 sets: ¥0.1 billion)

* Proactive initiatives for ocean security

- Anti-piracy operations off the coast of Somalia and in the Gulf of Aden
  - Continuation of anti-piracy operations by destroyers and P-3C off the coast of Somalia and in the Gulf of Aden.

* Initiatives for international community efforts

- Dispatch of instructors to the PKO Centers in Africa
  - Dispatch SDF personnel as instructors from the SDF to educate PKO personnel of African countries to improve their peacekeeping capabilities and maintain the stability of the region.

- Participation in PSI* interdiction exercises
  - Maintain and increase the capability to provide a coordinated response among the MOD/SDF, relevant organizations, and concerned countries against the proliferation of weapons of mass destruction, etc.
  * PSI (Proliferation Security Initiative): Security concept against proliferation

- Implementation of international peace cooperation activities
  - Actively participate in activities in which the international community cooperates to improve the international security environment, including UNPKO.
Establishment of the Amphibious Preparatory Unit (provisional name) (repost) (GSDF)

Implementation of unit reorganization programs in order to strengthen the defense posture in the southwest and other regions

1 Major unit reorganization programs

- Establishment of the Amphibious Preparatory Unit (provisional name) (repost) (GSDF)
- Reorganization of the 1st Airborne Brigade (GSDF)
  In order to build and strengthen an effective deterrent and response posture concerning the defense of the Southwestern islands, adopt the 1st Airborne Brigade into a structure enabling a simultaneous, flexible response on multiple fronts.
- Reorganization of the Central Transportation Management Command (GSDF)
- Reorganization of the AEW group (repost) (ASDF)
- Establishment of Staff College Air Research Center (provisional name) (ASDF)
- Relocation of the headquarters of Air Development and Test Command to Fuchu Air Base (ASDF)
- Request to increase the number of SDF personnel
  - Improve our contingency readiness by increasing the number of SDF personnel in order to enhance the warning and surveillance posture and ensure effective response capability.

<table>
<thead>
<tr>
<th>GSDF</th>
<th>MSDF</th>
<th>ASDF</th>
<th>Total</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>+101</td>
<td>+212</td>
<td>+206</td>
<td>+519</td>
<td>△ 70 of GSDF is a result of status adjustment of student nurses</td>
</tr>
</tbody>
</table>

△ 70

requests increase

△ Decrease

*Not including changes in the number due to personnel quota transfer

2 Programs related to organizational quota

- Organization building towards the enhancement of defense policy planning functions
  - Establish "Japan-Australia Defense Cooperation Office (provisional name)" at the International Policy Division, Bureau of Defense Policy, in order to enhance the system for defense cooperation/exchange with Australia
  - Establish the "Intelligence Research Office (provisional name)" at the Defense Intelligence Division, Bureau of Defense Policy in order to improve human intelligence collection functions (repost)
  - Strengthen the Defense Operations Division, Bureau of Operational Policy, to ensure effective operational policy to cope with various contingencies including those at sea (personnel increase)
**IV Other**

(2) Promotion of Base Measures

Japan will steadily implement measures to achieve harmony between defense facilities and the neighboring communities, as well as measures to facilitate the smooth and effective stationing of U.S. forces in Japan.

**① Expenses related to programs for communities near bases**

- Expenses for the prevention of disturbances resulting from SDF activities or the establishment and operations of defense facilities
  - Implementation of sound insulation projects for residences near air bases, etc.
  - Implementation of projects to improve the living environment of neighboring communities (river and road restoration, sound-proofing systems in schools, etc.)
  - Implementation of sound insulation projects for non-registered childcare facilities
  - Implementation of projects covered by specified defense facilities environment improvement adjustment grants, with strong requests from municipalities around bases (development of public facilities and software projects, such as medical cost subsidies, etc.)

**② Cost-sharing for the stationing of U.S. forces in Japan**

- Expenses of the Special Measures Agreement to ensure the smooth and effective stationing of U.S. forces in Japan
  - Share the cost of wages and utilities, etc. of USFJ employees
  - Improve facilities (Barracks, family housing, etc.)
  - Share the cost of social insurance premiums by the employer (healthcare insurance, welfare annuity insurance, etc.) for USFJ employees

**③ Rental cost of facilities, compensation expenses, etc.**

- Rental cost of defense facility land, etc., compensation to fisherman for lost income due to training exercises on water areas, etc.
### (3) Strengthen Education and Research System

Implement measures to strengthen the system of education and research of the National Institute for Defense Studies, the National Defense Academy, and the National Defense Medical College in addition to develop an environment enabling personnel to be devoted to their duties.

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#### ① The National Institute for Defense Studies

- Development/enhancement of research exchange
  - Enhance research exchange with National Defence College of Myanmar
  - Enhance research exchange with Institute for Strategic Studies of Mongolia
  - Enhance research exchange with Military Academy of Saudi Arabia
  - Enhance research exchange with Australian Strategic Policy Institute
  - Enhance the framework for proactive international exchange and public relations
  - Promote exchanges of opinions with government officials and the major research institutions of other countries with respect to “East Asian Strategic Review” and “NIDS China Security Report,” etc

- Research and compilation work concerning war history
  - Publish “The Pacific War” series (provisional name), First Volume

#### ② National Defense Academy

- Enhancement of study abroad programs
  - Promote exchange in defense and security through improvement of NDA students' language skills, development of their international awareness, and fostering inter-students trust.
  - Send students to Brazilian Naval School

- Enhancement of education and research
  - In order to implement education for new duties and roles of the SDF, improve the contents of education programs (crisis management and safety science) with a solid foundation on both academic and practical education.
  - Improve the education system relating to cyber attack response by MOD/SDF

#### ③ National Defense Medical College, etc.

- Establishment of 4-year nursing program
  - Open the Faculty of Nursing (provisional name) at the Division of Medical Education, National Defense Medical College, in April 2014.

- Improvement/enhancement of clinical systems
  - Improve and enhance clinical systems by increasing the number of nurses in order to improve utilization of the college hospital’s ICU
(4) Measures concerning personnel education

In order to secure excellent human resources (ex. SDF personnel, SDF reserve personnel) who bear the burden of national defense while enhancing their strength, Japan will execute a comprehensive plan for recruitment, reemployment of SDF personnel, securing of SDF reserve personnel and other necessary measures.

① Promotion of measures to secure excellent human resources who bear the burden of national defense

**Enhancement of recruitment program**

- Improvement and enhancement of recruitment functions (¥0.1 billion)
  - Communicate information properly and conduct public relations for recruitment in response to the changing times
  - Improve and enhance recruitment functions including effective communication of information to prospective candidates through Smartphones

**Enhancement of reemployment support programs**

- Improvement/enhancement of job training and public relations for support (¥0.1 billion)
  - Allow personnel to take multiple training courses, etc.
  - In order to improve benefits for SDF personnel planning to retire, increase the number of distance-learning courses that they can take, add courses for female personnel, for example.

**Securing SDF reserve personnel**

- Improvement/enhancement of publication of SDF reserve personnel system and improvement of their training infrastructure (¥80 million)
  - Improve public relations targeted at companies employing SDF reserve personnel, etc.
  - Expand the program for employers to observe SDF reserve personnel training to middle management.
  - Develop public relations leaflets for use by SDF reserve personnel in their workplaces
  - Improve clothing, accouterments, etc.
  - Promote improvement of clothing, accouterments, etc. to ensure more effective operation of SDF reserve personnel.

② Other measures

**Honorable treatment to nurture a sense of mission**

- Expansion of the Defense Meritorious Badge program (¥70 million)
  - Establish Defense Meritorious Badges for meritorious deeds of units
  - Change the shape of Defense Meritorious Badges for ceremonial use

**Personnel measures**

Consider personnel policy changes to encourage individual strengths, including handling and honorable treatment in accordance with the characteristics of each specific SDF, unit, and type of duty.
(5) Promotion of technological research and development

Implement far-sighted research and development including unmanned equipment such as robot, cyber and outer space technologies.

- Research of fuel cells, etc. that enable long-term operation of UUV* (¥1.2 billion)
  - Conduct research on fuel cells, etc. to enable UUV that can complement submarines with long time and wide-area underwater warning, surveillance and intelligence functions, as well as functions to transport and set up underwater equipment.
  - UUV (Unmanned Underwater Vehicle)

- Research on robots that can be used under the threat of nuclear disaster (¥0.9 billion)
  - Conduct research to realize robots that autonomously carry out surveillance, transportation of goods, restoration work, etc. even under bad weather and the threat of radiation caused by a nuclear disaster and biological/chemical agents.

- Research on radar and fire control system to detect stealth aircraft (¥3.7 billion)
  - Conduct research on radar and fire control system to detect, track and respond to stealth aircraft, etc. which pose difficulties to standard radars.

- Research on technologies to respond to network-based cyber attacks (repost)
Various initiatives will be promoted to further rationalize and streamline equipment acquisition and ensure greater fairness of procurement and save approx. ¥64.0 billion in FY2014 and after.

(1) Review of maintenance methods  
(cost saving of approx. ¥9.0 billion in five years to 2018)

Streamline maintenance costs by extending periodic maintenance intervals

- Conversion interval extension of Sonar Dome rubber windows for submarine
  Reduce the number of units to be procured by extending the replacement interval from 9 to 12 years.
  (Expected saving by FY2018: ¥0.4 billion)
  (Expected saving in FY2014: ¥0.15 billion)

- Maintenance interval extension of gas turbine engine for vessels
  Extend the interval of periodic maintenance for main engines, etc. of destroyers.
  (Expected saving by FY2018: ¥1.6 billion)
  (Saving is not expected in FY2014 because the extension starts in FY2016 after a trial)

- Extension of overhaul interval of minesweeping/transport helicopter (MCH-101) engines
  Extend engine overhaul interval by extending the useful life of parts.
  (Expected saving by FY2018: ¥0.4 billion)
  (Saving is not expected in FY2014 because no project is planned in the year)

- Extension of periodic maintenance interval of transport aircraft (C-130H)
  Extend the interval of periodic maintenance from the current 36 months to 45 months.
  (Expected saving by FY2018: ¥5.2 billion)
  (Expected saving in FY2014: ¥1.9 billion)

(2) Bulk purchase of equipment  
(Saving approx. ¥44.0 billion on contract basis)

Streamline budget costs reviewing equipment with high prices due to small-amount purchase and long-period maintenance and concentrate budget requests for them in a single year if a cost saving is expected by doing so.

- Bulk purchase of Type-12 surface-to-ship guided missile
  16 units: ¥38.0 billion → ¥30.2 billion
  (Expected saving: ¥7.8 billion)
○ Bulk purchase of battle training apparatus
22 sets: ¥13.8 billion → ¥12.7 billion
(Expected saving: ¥1.1 billion)

○ Bulk purchase of equipment for function improvement of short-range SAM system on Takanami-class destroyer
Equipment to upgrade the vertical launch systems (VLS) for five destroyers
5 sets: ¥6.5 billion → ¥3.8 billion
(Expected saving: ¥2.6 billion)

○ Bulk purchase of radars with improved capability for fighters (F-2)
30 sets: ¥10.5 billion → ¥9.4 billion
(Expected saving: ¥1.1 billion)

Note: In addition, efforts will be made to reduce cost through centralized procurement of equipment, such as UH/SH-60 helicopters and type-89 rifles, which are common equipment of GSDF, MSDF and ASDF.

(3) Use of civilian goods and review of specifications
(Saving approx. ¥11.0 billion on contract base)

Pursue cost reduction by using civilian goods and reviewing specifications of equipment with regard to cost effectiveness

○ Use commercial ship specifications and civilian goods when building a rescue ship for multiple purposes, including disaster relief activities
(Expected saving: ¥4.8 billion)

○ Use cost effective devices for upgrading of radar on P-3C
(Expected saving: ¥1.4 billion for 4 sets)

○ Substitute by civilian harbor radio telephone
(Expected saving: ¥0.6 billion)
(4) Medium- to long-term measures for streamlining the procurement of equipment, etc.

○ Enhancement of project management throughout the lifecycle of equipment
  An initiative to set up a cross-functional Integrated Project Team (IPT) led by a project manager for unified management of cost, performance and schedule of major projects throughout the lifecycle of equipment.
  • In order to establish a permanent PM/IPT system, assign PM personnel who work full-time on project management (5 directors for project management)
  • Use private resources, including consultants, with know-how of project management to support PM/IPT in their project management activities (¥80 million)
  • Have personnel attend project management courses of Defense Acquisition University of the United States in order to develop human resources for PM/IPT (¥4 million)

[Existing method]
The department in charge independently examines each stage of equipment lifecycle.

[Project management by PM/IPT]
Unified management of projects throughout equipment lifecycle by cross-functional IPT led by PM

○ Improvement of cost estimation method for equipment procurement
  • Conduct study and research for effective utilization of cost data of equipment, etc. using new statistical procedures, etc. for calculation of the estimated price of equipment, etc. (¥8 million)

○ Improvement of operational availability of equipment through effective utilization, etc. of private resources
  Initiative to study measures to curb maintenance expense while maintaining and improving operational availability of equipment, etc.
  • Study and research to maintain and improve operational availability of equipment, etc. (¥60 million)
  • Study and research for discussions on introduction of more sophisticated PBL* (¥20 million)

*PBL (Performance Based Logistics): A form of contract with corporations in which payment is made not for the quantity of maintenance work but for equipment performance such as operational availability, safety, shorter repair time, and securing of stable inventory.

Initiatives to curb maintenance cost of equipment, etc.
  • Technical study and PFI feasibility study on successor to the current X-Band communications satellite (Superbird C2) (repost)
  • Study on measures to utilize civilian transport capacity in mobile deployment (Joint Staff (JS)) (repost)
### (1) Direction of the MOD reform

#### What is the MOD Reform?

The reform started in response to various cases of misconduct within the MOD/SDF. In the severe security environment, not only initiating measures for preventing the recurrence of misconduct, but also reform of the MOD in terms of its operation and organization has been implemented to ensure more proactive and efficient functioning of the SDF under full civilian control.

Upon instructions of the Minister of Defense in February 2013, the Committee for the Deliberations on the MOD Reform chaired by the Senior Vice-Minister of Defense accomplished thorough examinations.

#### Principles of the reform

- In addition to the *increasingly severe security environment* surrounding Japan and *lessons learned from the SDF operations* in response to the Great East Japan Earthquake, there are also *changes in the policy environment*, including the move towards the establishment of NSC.
- In light of the changing situations, the MOD implements drastic reform while fully considering items provided in the past deliberations.
- *Changing the mentality of both civil officials and SDF personnel is essential* to make the reform truly effective. It is also necessary to *advance the reform smoothly without delay or confusion in operations including contingency responses*. To this purpose, it is important to establish a series of reforms through steady and phased implementation while Internal Bureau and Staff Offices equally support the Minister of Defense.

*Procurement misconduct in recent years are subject to thorough examinations at committees concerned and measures to prevent recurrence are being strictly implemented.

#### Concrete initiatives (overview)

1. **Cross-assignment of civilian officers and SDF personnel — remove barriers between them—**
   - Revise laws and establish permanent posts within the internal bureaus for SDF personnel, mainly lieutenant colonels and majors, while establishing new permanent posts for civilian officers in the Joint Staff and major SDF commands *(FY2014)*
   - Later, expand cross-assignment to higher-ranking staff *[medium to long-term]*

2. **Total optimization of defense capability buildup and strengthening of equipment acquisition functions — from partial optimization to total optimization —**
   - Establish a new procedure of defense capability build up for total optimization *(Unify defense capability evaluation based on the anticipated contingencies from the viewpoint of joint operation rather than that of individual SDF to clarify priorities of defense capability buildup of the entire SDF) *(FY2014)*
   - Increase cross-functional Integrate Project Team (IPT) led by a project manager (PM) to strengthen project management throughout the lifecycle of equipment, etc. *[FY2014-]*
   - With the aim of ensuring adequate implementation of project management throughout the lifecycle described above across the organization and contributing to total optimization of defense capability buildup and maintenance/enhancement of defense production/technology bases, integrate divisions concerning equipment acquisition of the Internal Bureau, Staff Offices, the Technical Research and Development Institute and the Equipment Procurement and Construction Office based on future deliberations and implement organizational change with a view to setting up an external bureau. In this process, consider the *strengthening of audit functions* to further ensure the fairness of procurement *[medium term]*
3. Strengthen joint operation functions —Make accurate decisions more swiftly—

- Cross-assignment of civilian officers and SDF personnel in Internal Bureau and Joint Staff in order to strengthen joint operation functions [FY2014] (repost)

- Affairs concerning actual operations are unified with the Joint Staff Office in principle to achieve swift and efficient operations while drafting of laws, etc. remain under the jurisdiction of Internal Bureau. In light of the above, and with the aim of enhancing response to cyber attacks, review the organization of the Bureau of Operational Policy. [Medium term]

- Under the Defense Council, relevant senior officials build an efficient coordinating organization to respond to contingencies. [Medium term]

- In light of the lessons, etc. learned from the response to the Great East Japan Earthquake, examine the functions and roles of Joint Staff, etc. and consider securing effective command control at respective SDFs (including consideration to set up a central command organization of GSDF) (coordinate/cooperate with defense posture review) [Medium to long term]

4. Enhancement of policymaking/information provision functions —Toward further enhancement of policymaking/information provision functions—

- Create the post of Defense Councillor as general manager of external affairs in order to enhance consultations/dialogues with foreign countries. [FY2014]

- Enhance the strategy planning function of the Bureau of Defense Policy in accordance with the activities of NSC in order to ensure accurate coordination with the council. [FY2014-]

- Establish a mechanism (press center) to aggregate and coordinate the provision of information which should be unified at the time of crisis management [FY2014]

- Review the press office organization so that Press Secretaries of the Minister’s Secretariat and Joint Staff can function as the core of strategic and effective public relations [Medium term]

5. Other initiatives

- Review regional organizations (Regional Defense Bureaus, Provincial Cooperation Offices, GSDF HQs, District HQs, etc.) in order to promote understanding of local communities and enhance coordination with local governments (coordinate/cooperate with defense posture review) [Medium to long term]

- Ensure strict control of sensitive information that should not be disclosed, including review of management guidelines, while establishing a method and system to investigate leaks [FY2014-]

- Enhance Ministry’s support office in terms of timely and proper information flow up to Ministers[FY2014]
(2) FY2014 budget request programs related to the MOD reform

① Cross-assignment of civilian officers and SDF personnel
- Establishment of permanent posts of SDF personnel in Internal Bureau (56 posts in total)
  - Revise laws and establish permanent posts of SDF personnel in Internal Bureau
- Establishment of new permanent posts for civilian officers in the Joint Staff Office and major SDF commands (17 posts in total)
  [Joint Staff] Establish posts of Legal Officer (provisional name) at Operations and C4I Systems Departments (4 posts in total)
  [G S D F] Establish posts of Coordination Officer (provisional name) at GSDF HQs (5 posts in total)
  [M S D F] Establish posts of Political Advisor (provisional name) and Coordination Officer (provisional name) at Yokosuka and Sasebo HQs (4 posts in total)
  [A S D F] Establish posts of Political Advisor (provisional name) and Coordination Officer (provisional name) at Air Defense Command HQ and Air Support Command HQ (4 posts in total)

② Establishment of Deputy Minister for Defense (provisional name)
- In order to handle diversifying security issues and drastically increasing external affairs, to ensure reliable assistance to the Minister of Defense, establish Deputy Minister for Defense (provisional name) as the position that coordinates a portion of external affairs

③ Management throughout the lifecycle of equipment
- An initiative to set up a cross-functional Integrated Project Team (IPT) led by a project manager (PM) for unified management of cost, performance and schedule of major projects throughout the equipment lifecycle.
  - In order to establish a permanent PM/IPT system, assign PM personnel who specialize in project management (5 directors for project management) (repost)

④ Enhancement of strategy planning function of the Bureau of Defense Policy
- Coordination with National Security Council
  - Strengthen the system to ensure adequate coordination with the National Security Council that is to be established (personnel increase)
- Establishment of Japan-Australia Defense Cooperation Office
  - Establish Japan-Australia Defense Cooperation Office (provisional name) at the International Policy Division, Bureau of Defense Policy, so as to strengthen the system for defense cooperation/exchange with Australia (repost)

⑤ Initiative to enhance the public relations function
- Establishment of a press center (provisional name)
  - Procure equipment for the establishment of a mechanism (press center: provisional name) to aggregate and coordinate the provision of information which should be unified at the time of crisis management (¥1 million)

⑥ Enhancement of Minister’s Secretariat
- Establishment of Planning and Coordination Office (provisional name)
  - Establish a new office at Minister’s Secretariat to enhance its support for Ministers
Major equipment
<table>
<thead>
<tr>
<th>Procurement type</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number procured</td>
<td>Number Procured</td>
</tr>
<tr>
<td><strong>GSDF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-purpose helicopter (UH-60JA)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Transport helicopter (CH-47JA)</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Attack helicopter (AH-64D)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Liaison and reconnaissance aircraft (LR-2)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Restoration of transport helicopter (CH-47J)</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>MSDF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed-wing patrol aircraft (P-1)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Patrol helicopter (SH-60K)</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Rescue amphibian (US-2)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Primary trainer (T-5)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Helicopter trainer (TH-135)</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Life extension of fixed-wing patrol aircraft (P-3C)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Life extension of patrol helicopter (SH-60J)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Capability improvement of radar mounted on fixed-wing patrol aircraft (P-3C)</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Capability improvement of infrared detection system on fixed-wing patrol aircraft (P-3C)</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td><strong>ASDF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Next-generation fighter aircraft (F-35A)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Modernization of fighter aircraft (F-15)</td>
<td>(6)</td>
<td>(12)</td>
</tr>
<tr>
<td>Improvement of self-defense capability of fighter aircraft (F-15)</td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Upgrading of on-board NVG of fighter aircraft (F-15)</td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Improvement of air-to-air combat capability of fighter (F-2)</td>
<td>Upgrade</td>
<td>(12)</td>
</tr>
<tr>
<td>Additon of JDAM function to fighter (F-2)</td>
<td>(11)</td>
<td>(4)</td>
</tr>
<tr>
<td>Trial upgrading of fighter aircraft (F-2) with on-board targeting pod</td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Transport aircraft (C-2)</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Rescue helicopter (UH-60J)</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Improvement in capability of Airborne Warning And Control Systems (AWACS) (E-767)</td>
<td>Upgrade</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>MSDF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Destroyer (DD)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Submarine (SS)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Minesweeper ocean (MSO)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Submarine rescue ship (ASR)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Life extension of Hatsuyuki-class destroyer</td>
<td>Work</td>
<td>(3)</td>
</tr>
<tr>
<td>Life extension of Asagiri-class destroyer</td>
<td>Parts</td>
<td></td>
</tr>
<tr>
<td>Life extension of Abukuma-class destroyer</td>
<td>Work</td>
<td>(2)</td>
</tr>
<tr>
<td>Life extension of Hatakaze-class destroyer</td>
<td>Parts</td>
<td>(4)</td>
</tr>
<tr>
<td>Life extension of Oyashio-class submarine</td>
<td>Work</td>
<td>(2)</td>
</tr>
<tr>
<td>Life extension of Towada-class fast combat support ship</td>
<td>Parts</td>
<td>(2)</td>
</tr>
<tr>
<td>Function improvement of short-range SAM system on Takanami-class destroyer</td>
<td>Work</td>
<td>(1)</td>
</tr>
<tr>
<td>Life extension of Landing Craft Air Cushion</td>
<td>Parts</td>
<td>(2)</td>
</tr>
</tbody>
</table>

### Notes
- FY2013: Number procured
- FY2014: Number Procured
- Amount: ¥100 million
<table>
<thead>
<tr>
<th>Procurement type</th>
<th>GSDF</th>
<th>FY2013 Number procured</th>
<th>FY2014 Number Procured</th>
<th>Amount (¥100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missile GSDF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type-03 middle-range surface-to-air missile (SAM)</td>
<td>—</td>
<td>1 company</td>
<td>171</td>
<td>(21)</td>
</tr>
<tr>
<td>Type-11 short-range surface-to-air missile</td>
<td>—</td>
<td>2 sets</td>
<td>71</td>
<td>(18)</td>
</tr>
<tr>
<td>Type-93 close-range surface-to-air missile</td>
<td>—</td>
<td>3 sets</td>
<td>25</td>
<td>(6)</td>
</tr>
<tr>
<td>Middle-range multi-purpose missile</td>
<td>11 sets</td>
<td>18 sets</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Type-12 surface-to-ship missile</td>
<td>4 vehicles</td>
<td>16 vehicles</td>
<td>302</td>
<td></td>
</tr>
<tr>
<td>ASDF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surface-to-air missile for base air defense</td>
<td>—</td>
<td>—</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>GSDF Firearm, Vehicle, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9mm Pistol</td>
<td>90</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Type-89 rifle</td>
<td>6,949</td>
<td>6,726</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Anti-personnel sniper rifle</td>
<td>75</td>
<td>50</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>5.56mm machine gun MINIMI</td>
<td>188</td>
<td>170</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>12.7mm heavy machine gun</td>
<td>114</td>
<td>122</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>60mm motor (B)</td>
<td>—</td>
<td>12</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>84mm recoilless rifle (B)</td>
<td>17</td>
<td>51</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>81mm motor L16</td>
<td>5</td>
<td>1</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>120mm motor RT</td>
<td>2</td>
<td>1</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Type-99 155mm self-propelled howitzer</td>
<td>6</td>
<td>6</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Type-10 tank</td>
<td>14</td>
<td>13</td>
<td>131</td>
<td></td>
</tr>
<tr>
<td>Light armored vehicle</td>
<td>44</td>
<td>64</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Type-96 armored personnel carrier</td>
<td>11</td>
<td>21</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Type-87 reconnaissance combat vehicle</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>NBC reconnaissance vehicle</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Vehicle, communications equipment, facility equipment</td>
<td>¥49.6 billion</td>
<td>—</td>
<td>720</td>
<td>(19)</td>
</tr>
<tr>
<td>ASDF BMD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light armored vehicle</td>
<td>1</td>
<td>1</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Upgrade of Aegis ships</td>
<td>(2)</td>
<td>(2)</td>
<td>102</td>
<td></td>
</tr>
</tbody>
</table>

Note 1: The procurement amount for FY 2013 indicates the number that was envisioned in the original budget.
Note 2: Price represents amounts, excluding non-recurrent costs, needed for the production of equipment. The non-recurrent costs are indicated in parentheses in the amount column (external value).
Note 3: “Number procured” indicates the number that is newly contracted in 2014. (The period for acquiring the item varies by equipment, but can take between two to five years.)
Note 4: The number in brackets represents the number related to upgrading the existing commissioned equipment.
Note 5: Regarding the number for the improvement of air-to-air combat capability of fighters (F-2) and improvement in capability of Airborne Warning And Control Systems (E-767), the upper figure represents the number of services of aircraft modified, while the lower figure represents the number of parts, etc. necessary for the improvement. One set to be procured for improvement in the capability of airborne warning and control systems (E-767) in FY 2014 indicates a portion of the parts, etc. necessary for improving the capabilities of four aircraft. Regarding the volume of procurement for the life extension of vessels, the upper figure represents the number of ships subject to life extension work and the lower figure represents the number of parts procured for life extension work.
Note 6: The number of procurements for capability improvement of Aegis ships in FY2014 represents the number of procurements of parts, etc., for upgrading two Atago-class destroyers with Ballistic Missile Defense (BMD) capability, which started in FY2012.
## Major Research and Development Programs

<table>
<thead>
<tr>
<th>Item</th>
<th>Overview</th>
<th>FY2014 Amount (¥100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armored personnel carrier development (improved)</td>
<td>In order to respond to a variety of threats accompanying international peace cooperation activities, attacks on remote islets, etc. develop transportable and maneuverable armored personnel carrier (improved) with improved mobility (including traveling on rough roads) and enhanced defense power as a successor to Type-96 armored personnel carrier</td>
<td>47</td>
</tr>
<tr>
<td>Integrate field command communication systems</td>
<td>Convert the GSDF command and control system into software and install it on field communication systems to enable sharing of data necessary for combat down to front-line forces, developing infrastructure for the strengthening of joint operation while enabling the exchange of secret data between Japan and the United States</td>
<td>80</td>
</tr>
<tr>
<td>Research on technologies to respond to network-based cyber attacks</td>
<td>Implement a study to prevent the spread of damage by securing the route for important communication through prompt route modification in the network at the time of a cyber attack.</td>
<td>8</td>
</tr>
<tr>
<td>Research of fuel cells, etc. that enable long-term operation of UUV(unmanned underwater vehicle)</td>
<td>Conduct research on fuel cells, etc. to enable UUV that can complement submarines with long time and wide-area underwater warning, surveillance and intelligence functions, as well as functions to transport and set up underwater equipment.</td>
<td>12</td>
</tr>
<tr>
<td>Research on robots that can be used under the threat of nuclear disaster</td>
<td>Conduct research to realize robots that autonomously carry out surveillance, transportation of goods, restoration work, etc. even under bad weather and the threat of radiation caused by a nuclear disaster and biological/chemical agents.</td>
<td>9</td>
</tr>
<tr>
<td>Research on radar and fire control system to detect stealth aircraft</td>
<td>Conduct research on radar and fire control system to detect, track and respond to stealth aircraft, etc. which pose difficulties to standard radars.</td>
<td>37</td>
</tr>
<tr>
<td>Research on airframe structure with reduced weight</td>
<td>In preparation for weight reduction of fighters in the future, establish high-precision structural analysis technology to minimize the risk associated with weight reduction and conduct research on weight reduction of airframes using a unified fastener-less structure, etc.</td>
<td>21</td>
</tr>
<tr>
<td>Development of a new air-to-ship guided missile, XASM-3</td>
<td>Conduct development of a new air-to-ship missile (XASM-3) to be used for more effective response to enemy battle ships with high-performance air defense capability.</td>
<td>20</td>
</tr>
<tr>
<td>Research on the engine component for a fighter aircraft</td>
<td>Conduct research on the engine component for a fighter aircraft that features greater thrust and slimmed configuration necessary for securing high-altitude and high-speed fighting for future fighters, the bodies of which are increasing in size.</td>
<td>129</td>
</tr>
</tbody>
</table>
## 3 Changes in Number of Personnel

### Changes in number of SDF personnel, etc. (Unit : Person)

<table>
<thead>
<tr>
<th></th>
<th>End of FY2013</th>
<th>End of FY2014</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSDF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular personnel</td>
<td>151,063</td>
<td>151,089</td>
<td>26</td>
</tr>
<tr>
<td>Ready reserve personnel</td>
<td>8,175</td>
<td>8,175</td>
<td>0</td>
</tr>
<tr>
<td>MSDF</td>
<td>45,517</td>
<td>45,530</td>
<td>13</td>
</tr>
<tr>
<td>ASDF</td>
<td>47,097</td>
<td>47,133</td>
<td>36</td>
</tr>
<tr>
<td>Joint Units</td>
<td>1,227</td>
<td>1,261</td>
<td>34</td>
</tr>
<tr>
<td>Joint Staff</td>
<td>361</td>
<td>374</td>
<td>13</td>
</tr>
<tr>
<td>Defense Intelligence Headquarters</td>
<td>1,907</td>
<td>1,919</td>
<td>12</td>
</tr>
<tr>
<td>Internal Bureaus</td>
<td>—</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>247,172</td>
<td>247,362</td>
<td>190</td>
</tr>
</tbody>
</table>

Note 1: Figures for the end of each fiscal year are budget figures.
Note 2: The number in the parentheses includes the number of SDF ready reserve personnel.

### Number of SDF personnel (annual average) (Unit: Person)

<table>
<thead>
<tr>
<th></th>
<th>GSDF</th>
<th>MSDF</th>
<th>ASDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual average</td>
<td>140,053</td>
<td>42,041</td>
<td>43,300</td>
</tr>
</tbody>
</table>

### Number of SDF reserve personnel (Unit: Person)

<table>
<thead>
<tr>
<th></th>
<th>GSDF</th>
<th>MSDF</th>
<th>ASDF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDF reserve personnel</td>
<td>46,000</td>
<td>1,100</td>
<td>800</td>
<td>47,900</td>
</tr>
</tbody>
</table>

### Number of candidates for GSDF reserve personnel (Unit: Person)

<table>
<thead>
<tr>
<th></th>
<th>End of FY2013</th>
<th>End of FY2014</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDF reserve candidates</td>
<td>4,600</td>
<td>4,600</td>
<td>0</td>
</tr>
</tbody>
</table>

### Change in the quota of administrative officials, etc (Unit: Person)

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>316</td>
<td>377</td>
<td></td>
</tr>
<tr>
<td>Rationalization program</td>
<td>▲488</td>
<td>▲347</td>
<td></td>
</tr>
<tr>
<td>Additional rationalization</td>
<td>▲91</td>
<td>▲347</td>
<td></td>
</tr>
<tr>
<td>Other rationalization, etc.</td>
<td>▲17</td>
<td>▲10</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>▲189</td>
<td>▲280</td>
<td>20</td>
</tr>
</tbody>
</table>

Quota at the end FY 21,435 21,455

Note 1: Including the Minister, Parliamentary Senior Vice-Minister, and two Parliamentary Vice-Ministers
Note 2: Additional rationalization of FY2013 ▲91 is the effect of employment restraint, which was a portion of the quota rationalization for FY2014 implemented ahead of schedule as an effort shared across government ministries and agencies.
Defense-related expenditures
## 1 Overall Defense-related expenditures

[Expenditures (classified into 3 categories by expense)]

<table>
<thead>
<tr>
<th></th>
<th>FY2013 budget (¥100 million)</th>
<th>FY2014 Request for general budget + special budget allocations (¥100 million)</th>
<th>YR/YR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense-related expenses</td>
<td>46,804 (47,538)</td>
<td>48,194 (48,928)</td>
<td>1,390 [3.0] (1,390 [2.9])</td>
</tr>
<tr>
<td></td>
<td>351 [0.8] (400 [0.8])</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel and provisions expenses</td>
<td>19,896</td>
<td>20,953</td>
<td>1,057 [5.3]</td>
</tr>
<tr>
<td></td>
<td>△806 [△3.9]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material expenses</td>
<td>26,908 (27,642)</td>
<td>27,240 (27,975)</td>
<td>333 [1.2] (333 [1.2])</td>
</tr>
<tr>
<td></td>
<td>1,157 [4.5] (1,206 [4.6])</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligatory outlay expenses</td>
<td>16,612 (17,149)</td>
<td>17,250 (17,786)</td>
<td>637 [3.8] (637 [3.7])</td>
</tr>
<tr>
<td></td>
<td>298 [1.8] (494 [3.0])</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General material expenses (activity expenses)</td>
<td>10,296 (10,493)</td>
<td>9,991 (10,189)</td>
<td>△305 [△3.0] (△305 [△2.9])</td>
</tr>
<tr>
<td></td>
<td>859 [9.1] (712 [7.3])</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Comments)

1. [ ] : growth rate
2. Figures may not add up to the total due to rounding (hereinafter the same)
3. The top row indicates SACO-related expenses and the U.S. forces realignment-related expenses where the portion intended to reduce the burden on the local community has been omitted. The number in parentheses in the bottom row indicates that which has been included.
   The amount in the SACO-related expenses of the total are:
   - FY 2013: ¥8.8 billion; FY 2014 budget request: ¥8.8 billion (provisionally kept as the same amount as the previous FY amount)
   - The portion intended to reduce the burden on the local community out of the U.S. forces realignment-related expenses is:
     - FY 2013: ¥64.6 billion; FY 2014 budget request: ¥64.6 billion (provisionally kept as the same amount as the previous FY amount)
4. As expenses for the reconstruction of Sapporo Hospital, the figures for FY 2013 include ¥0.6 billion for expenditures (obligatory outlay expenses) and ¥0.1 billion for future obligations concerning new contracts. For FY 2014, they include ¥1.0 billion for future obligations concerning new contracts, which is a portion of the budget of the Ministry of Finance.
5. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.
7. Because expenses involved in the introduction of a new government aircraft based on “Policies dealing with government aircraft” (decided by the government aircraft study committee on August 7, 2013) are to be discussed in the budget-making process, the request is made without indicating the amount.

### Future obligation concerning new Contracts

<table>
<thead>
<tr>
<th></th>
<th>FY2013 budget (¥100 million)</th>
<th>FY2014 general budget request (¥100 million)</th>
<th>YR/YR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future obligation concerning new contracts</td>
<td>16,517 (17,299)</td>
<td>21,213 (21,995)</td>
<td>△155 [%0.9] (46 [%0.3])</td>
</tr>
<tr>
<td></td>
<td>△155 [%0.9] (46 [%0.3])</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,213 (21,995)</td>
<td>4,696 [28.4] (4,696 [27.1])</td>
<td></td>
</tr>
</tbody>
</table>

(Comments)

1. [ ] : growth rate (%)
2. The top row indicates SACO-related expenses and the U.S. forces realignment-related expenses where the portion intended to reduce the burden on the local community has been omitted. The number in parentheses in the bottom row indicates that which has been included.
   The amount in the SACO-related expenses of the total are:
   - FY 2013: ¥4.2 billion; FY 2014 budget request: ¥4.2 billion (provisionally kept as the same amount as the previous FY amount)
   - The portion intended to reduce the burden on the local community out of the U.S. forces realignment-related expenses is:
     - FY 2013: ¥74.0 billion; FY 2014 budget request: ¥74.0 billion (provisionally kept as the same amount as the previous FY amount)
3. YR/YR of FY2013 budget does not include the expenses related to the development and operation of X-band satellite communications (¥122.4 billion) in the FY2012 budget.
Composition of defense-related expenses

Expenditures: ¥4,819.4 billion
[Personnel and provisions expenses + obligatory outlay expenses + general material expenses]

(Fiscal Year)


Personnel and provisions expenses
Expenses related to personnel salary, retirement allowance, meals, etc.

Material expenses (program expenses)
Expenses related to the procurement, repair and maintenance of equipment; purchase of fuel; education and training of SDF personnel; facility construction and maintenance; utilities such as lighting, heat and water; research and development of technology; and expenses related to base measures, including measures to alleviate the burden on communities located near bases and cost-sharing for the stationing of USFJ

Obligatory outlay expenses
Expense of payments made in FY 2014 in accordance with contracts made before 2013

General material expenses
Expense of payments made in FY 2014 in accordance with contracts made in FY2014

Material Expenses (on contract base)
¥3,120.4 billion
[General material expenses + future obligations concerning new contracts]

Future obligations concerning new contracts
Expenses to be paid after FY2015 for projects requiring several years to be completed, such as procurement of major equipment like ships and aircraft, and construction of hangers and barracks, etc., based on the contract that payment shall be made sometime in the future (within five years, in principle)

Notes:
1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this chart.
2. This chart is a rough diagram. The length of a box does not necessarily correspond to the actual amount of expenses.
2 Details of Material Expenses (Program Expenses)

[Details and classification of material expenses (program expenses)]  (Unit: ¥ 100 million)

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure base</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material expenses</td>
<td>27,240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligatory outlay</td>
<td>17,250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General material</td>
<td>9,991</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future obligation</td>
<td></td>
<td></td>
<td></td>
<td>21,213</td>
</tr>
<tr>
<td>concerning new contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Comment)

- **Expenditure base**: Total amount to be paid in the current fiscal year for projects like acquisition of equipment and facility development. Specifically, it is the sum of the expenses to be paid in FY 2014 (general material expenses) based on the contracts concluded in FY2014 and the expenses to be paid in FY 2014 (obligatory outlay expenses) based on the contracts concluded before FY 2013. This is a useful point of view in understanding the share of defense-related expenses in the overall expenditure budget of the government, which is on a one-year budget.

- **Contract base**: Total amount of contracts concluded in the current fiscal year for projects like acquisition of equipment and facility development. Specifically, the sum of the expenses to be paid in FY 2014 and the expenses to be paid after FY2015 (future obligation pertaining to new contracts) based on the contracts concluded in FY2014. This is a useful point of view in understanding the total amount of expenses by program with respect to year-by-year projects for developing defense power.

## Concept of Future Obligation

Build-up of defense capabilities, such as procurement of major equipment including vessels and aircraft, as well as construction of hangars and accommodations for SDF personnel, may take several fiscal years. For this reason, the MOD makes contracts which span several fiscal years (in principle less than five years), and at the time of concluding the contract, makes an advance commitment to pay the expenses at a certain time in the future.

Future obligation refers to the amount which will be paid in the fiscal year (or years) following the year the contract is made, in accordance with the contract of several fiscal years.

(e.g.) ¥10 billion worth of equipment is procured under a four-year contract.
### Details of General Material Expenses (Activity Expenses)

- **Maintenance**: ¥4,084 billion (40.9%) - ¥4,467 billion (44.7%) (+383)
  - Petrol: ¥999 billion (24.7%) - ¥1,193 billion (27.1%) (+194)
  - Repair: ¥1,619 billion (40.4%) - ¥1,716 billion (38.6%) (+97)
  - Education & Training: ¥272 billion (6.8%) - ¥300 billion (7.2%) (+28)
  - Medical Care: ¥253 billion (6.3%) - ¥260 billion (6.2%) (+7)
  - Utilities: ¥942 billion (23.4%) - ¥999 billion (23.6%) (+56)
- **Base Measures**: ¥4,009 billion (40.0%) - ¥4,084 billion (40.9%) (+74)
  - Community Grants: ¥1,001 billion (25.0%) - ¥1,019 billion (25.3%) (+17)
  - Host Nation Support: ¥1,691 billion (42.2%) - ¥1,726 billion (42.9%) (+35)
  - Rent, Compensation Costs: ¥1,317 billion (32.8%) - ¥1,339 billion (33.2%) (+22)
- **Research & Development**: ¥275 billion (6.9%) - ¥298 billion (7.8%) (+23)
- **Equipment Acquisition**: ¥411 billion (10.2%) - ¥259 billion (6.7%) (-153)
- **Facility Improvements**: ¥184 billion (4.7%) - ¥246 billion (6.3%) (+62)
- **Other (computer rentals, etc.)**: ¥1,332 billion (33.4%) - ¥637 billion (16.5%) (-695)
- **Total**: ¥10,296 billion - ¥9,991 billion (-305)

### Note
1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
2. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.
### Details of Obligatory Outlay Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2013</th>
<th>FY2014 Requests for general budget</th>
<th>YR/WR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>7,049</td>
<td>7,146</td>
<td>97</td>
</tr>
<tr>
<td>Repair</td>
<td>6,708</td>
<td>6,796</td>
<td>88</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>341</td>
<td>349</td>
<td>9</td>
</tr>
<tr>
<td>Base Measures</td>
<td>372</td>
<td>368</td>
<td>△4</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>1,267</td>
<td>1,200</td>
<td>△67</td>
</tr>
<tr>
<td>Equipment Acquisition</td>
<td>4,426</td>
<td>4,693</td>
<td>267</td>
</tr>
<tr>
<td>Aircraft Acquisition</td>
<td>1,077</td>
<td>1,709</td>
<td>632</td>
</tr>
<tr>
<td>Shipbuilding</td>
<td>1,528</td>
<td>1,253</td>
<td>△275</td>
</tr>
<tr>
<td>Facility Improvements</td>
<td>766</td>
<td>742</td>
<td>△24</td>
</tr>
<tr>
<td>Other (computer rentals, etc.)</td>
<td>127</td>
<td>138</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,612</strong></td>
<td><strong>17,250</strong></td>
<td><strong>637</strong></td>
</tr>
</tbody>
</table>

Note: SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
## Details of Material Expenses (Contract Base)

![Pie chart showing Material Expenses (Contract base) FY2014 Requests for general budget ¥3,120.4 billion](chart.png)

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2013</th>
<th>FY2014 Requests for general budget</th>
<th>YR/YN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>11,313</td>
<td>12,379</td>
<td>1,066</td>
</tr>
<tr>
<td>Petrol</td>
<td>999</td>
<td>1,193</td>
<td>194</td>
</tr>
<tr>
<td>Repair</td>
<td>8,528</td>
<td>9,052</td>
<td>523</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>1,786</td>
<td>2,134</td>
<td>349</td>
</tr>
<tr>
<td>Base Measures</td>
<td>4,405</td>
<td>4,494</td>
<td>89</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>1,309</td>
<td>1,485</td>
<td>176</td>
</tr>
<tr>
<td>Equipment Acquisition</td>
<td>3,769</td>
<td>5,421</td>
<td>1,652</td>
</tr>
<tr>
<td>Aircraft Acquisition</td>
<td>1,992</td>
<td>3,384</td>
<td>1,393</td>
</tr>
<tr>
<td>Shipbuilding</td>
<td>1,523</td>
<td>2,027</td>
<td>505</td>
</tr>
<tr>
<td>Facility Improvements</td>
<td>1,043</td>
<td>1,213</td>
<td>170</td>
</tr>
<tr>
<td>Other (computer rentals, etc.)</td>
<td>1,460</td>
<td>801</td>
<td>△659</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,813</td>
<td>31,204</td>
<td>4,391</td>
</tr>
</tbody>
</table>

**Note:**
1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
2. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.
(Reference) Changes in defense-related expenditures

Changes in total amount

(¥100 million)

Changes in growth rate

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth rate</td>
<td>0.0</td>
<td>0.3</td>
<td>0.0</td>
<td>△0.3</td>
<td>△1.0</td>
<td>△1.0</td>
<td>△0.8</td>
<td>△0.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth rate</td>
<td>△0.8</td>
<td>△0.8</td>
<td>△0.4</td>
<td>△0.4</td>
<td>△0.4</td>
<td>0.8</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Notes
1. Above figures are on an expenditure basis.
2. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
3. The expenditures on the Security Council are not included in the defense-related expenditures since they are requested for rearrangement as other expenses from FY2008. The expenditures before FY2008 are also excluded from “Defense-relate expenditures” for the purpose of comparison.
Changes in the three categories

[ ] : Share of expenses budget (%)
{ } : YR/YR increase/decrease
《 》: Expenditures that are to be expended later on

<table>
<thead>
<tr>
<th></th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014 Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥100 million</td>
<td>46,826</td>
<td>46,625</td>
<td>46,453</td>
<td>46,804</td>
<td>48,194</td>
</tr>
<tr>
<td>General Material Expenses</td>
<td>△202</td>
<td>△201</td>
<td>△172</td>
<td>(351)</td>
<td>(1,390)</td>
</tr>
<tr>
<td>Obligation Outlay Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Provisions Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
2. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.
## Breakdown by organization

(Reference)

(Unit: ¥100 million, %)

<table>
<thead>
<tr>
<th>Classification</th>
<th>FY2013</th>
<th>FY2014 Requests for general budgets</th>
<th>YR/YR</th>
<th>Growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defense expenditure</strong></td>
<td>46,804</td>
<td>48,194</td>
<td>1,390</td>
<td>3.0</td>
</tr>
<tr>
<td>Ministry of Defense</td>
<td>46,798</td>
<td>48,183</td>
<td>1,385</td>
<td>3.0</td>
</tr>
<tr>
<td>(Ministry of Defense Head Office)</td>
<td>46,624</td>
<td>47,990</td>
<td>1,367</td>
<td>2.9</td>
</tr>
<tr>
<td>GSDF</td>
<td>16,929</td>
<td>17,729</td>
<td>801</td>
<td>4.7</td>
</tr>
<tr>
<td>MSDF</td>
<td>11,190</td>
<td>11,462</td>
<td>271</td>
<td>2.4</td>
</tr>
<tr>
<td>ASDF</td>
<td>10,234</td>
<td>10,947</td>
<td>713</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>38,353</td>
<td>40,138</td>
<td>1,785</td>
<td>4.7</td>
</tr>
<tr>
<td>Internal bureaus</td>
<td>4,739</td>
<td>4,827</td>
<td>88</td>
<td>1.9</td>
</tr>
<tr>
<td>Joint Staff</td>
<td>241</td>
<td>277</td>
<td>36</td>
<td>15.0</td>
</tr>
<tr>
<td>Defense Intelligence Headquarters</td>
<td>503</td>
<td>654</td>
<td>150</td>
<td>29.9</td>
</tr>
<tr>
<td>National Defense Academy</td>
<td>142</td>
<td>145</td>
<td>4</td>
<td>2.8</td>
</tr>
<tr>
<td>National Defense Medical College</td>
<td>233</td>
<td>248</td>
<td>15</td>
<td>6.3</td>
</tr>
<tr>
<td>National Institute for Defense Studies</td>
<td>20</td>
<td>26</td>
<td>6</td>
<td>32.8</td>
</tr>
<tr>
<td>Technical Research and Development Institute</td>
<td>1,636</td>
<td>1,599</td>
<td>△36</td>
<td>△2.2</td>
</tr>
<tr>
<td>Equipment Procurement and Construction Office</td>
<td>63</td>
<td>70</td>
<td>7</td>
<td>11.1</td>
</tr>
<tr>
<td>Inspector General’s Office of Legal Compliance</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>11.4</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>7,581</td>
<td>7,852</td>
<td>271</td>
<td>3.6</td>
</tr>
<tr>
<td>Recorded in the Special Account for the Reconstruction from the Great East Japan Earthquake (Regional Defense Bureaus)</td>
<td>689</td>
<td>△689</td>
<td>Program abolished</td>
<td></td>
</tr>
<tr>
<td><strong>Ministry of Finance</strong></td>
<td>174</td>
<td>193</td>
<td>19</td>
<td>10.9</td>
</tr>
<tr>
<td>(Ministry of Finance Head Office)</td>
<td>6</td>
<td>10</td>
<td>5</td>
<td>77.8</td>
</tr>
</tbody>
</table>

Note: SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
<table>
<thead>
<tr>
<th>Classification</th>
<th>FY2013 budget</th>
<th>FY2014 Requests for general budget</th>
<th>YR/YR</th>
<th>Growth rate</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of base measures</td>
<td>&lt; 4,405 &gt; 4,381</td>
<td>&lt; 4,494 &gt; 4,452</td>
<td>&lt; 89 &gt; 71</td>
<td>&lt; 2.0 &gt; 1.6</td>
<td></td>
</tr>
<tr>
<td>(1) Expenses related to measures for local communities</td>
<td>&lt; 1,211 &gt; 1,200</td>
<td>&lt; 1,238 &gt; 1,230</td>
<td>&lt; 27 &gt; 30</td>
<td>&lt; 2.2 &gt; 2.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subsidies for sound insulation work near air base</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subsidies for living environment and facilities (river and road reconstruction, sound-proofing systems in schools, etc.)</td>
</tr>
<tr>
<td>Residential sound insulation</td>
<td>&lt; 428 &gt; 428</td>
<td>&lt; 441 &gt; 438</td>
<td>&lt; 13 &gt; 10</td>
<td>&lt; 3.1 &gt; 2.4</td>
<td></td>
</tr>
<tr>
<td>Improvement of surrounding environment</td>
<td>&lt; 783 &gt; 772</td>
<td>&lt; 796 &gt; 792</td>
<td>&lt; 13 &gt; 20</td>
<td>&lt; 1.7 &gt; 2.6</td>
<td></td>
</tr>
<tr>
<td>(2) Cost-sharing for the stationing of USFJ</td>
<td>&lt; 1,864 &gt; 1,860</td>
<td>&lt; 1,907 &gt; 1,873</td>
<td>&lt; 43 &gt; 13</td>
<td>&lt; 2.3 &gt; 0.7</td>
<td></td>
</tr>
<tr>
<td>Special Measures Agreement</td>
<td>1,398</td>
<td>1,407</td>
<td>9</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Labor cost</td>
<td>1,144</td>
<td>1,153</td>
<td>8</td>
<td>0.7</td>
<td>Cost of wages of USFJ employees</td>
</tr>
<tr>
<td>Utilities</td>
<td>249</td>
<td>249</td>
<td>0</td>
<td>0.0</td>
<td>Cost of utilities used at USFJ facilities</td>
</tr>
<tr>
<td>Training relocation cost</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>11.1</td>
<td>Expenses related to US field-carrier landing practice on Iwo Jima</td>
</tr>
<tr>
<td>Facilities improvement</td>
<td>&lt; 213 &gt; 209</td>
<td>&lt; 247 &gt; 213</td>
<td>&lt; 34 &gt; 4</td>
<td>&lt; 15.9 &gt; 1.7</td>
<td>Improvement of USFJ facilities (barracks, family housing, etc.)</td>
</tr>
<tr>
<td>Measures for USFJ employees, etc.</td>
<td>253</td>
<td>253</td>
<td>0</td>
<td>0.1</td>
<td>Expenses related to social insurance premiums by the employer</td>
</tr>
<tr>
<td>(3) Facility rentals, compensation expenses, etc.</td>
<td>&lt; 1,330 &gt; 1,321</td>
<td>&lt; 1,349 &gt; 1,349</td>
<td>&lt; 19 &gt; 28</td>
<td>&lt; 1.4 &gt; 2.1</td>
<td>Rental cost of land used for defense facility and compensation for loss of fishermen’s income, etc.</td>
</tr>
</tbody>
</table>

Note: The figures are on an expenditure basis, and figures in < > indicate contract-based amounts.
Defense Programs and Budget of Japan
Overview of FY2014 Budget Request

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