

## **Section 3. Mid-Term Defense Program**

National defense is vital to a country's existence. Therefore, although defense build-up ultimately occurs in accordance with the budget of each fiscal year, defense should be built-up continuously, systematically and steadily based on the security environment surrounding Japan and the role of defense capability in line with a concrete medium-term outlook because research and development of defense equipment, its adoption, improvement of facilities, education of defense personnel, and training of SDF units cannot be realized in the short term.

Therefore, since FY 1986 the Government of Japan has formulated mid-term defense programs, each covering five years, and has built-up the nation's defense capabilities each fiscal year based on these programs.

The "Mid-Term Defense Program (FY 2005-FY 2009)" is a plan that defines Japan's policy regarding the build-up of its defense capabilities and the main projects for the five-year period to realize new defense capabilities specified in the National Defense Program Guidelines. The program was approved by the Security Council and the Cabinet in December 2004. (See Reference 9)

This section explains the policies envisaged under the Mid-Term Defense Program, organizational reviews of the Defense Ministry and the SDF, main projects related to the SDF's capability and measures intended to reinforce the Japan-U.S. Security Agreements.

### **1. Policies for the Program**

In line with the National Defense Program Guidelines, the Mid-Term Defense Program has shifted its priority from "deterrence by presence" to "effective response," and has placed emphasis on the improvement of readiness and mobility, an integrated operation of the GSDF, the MSDF and the ASDF through their joint operations, and the acquisition of new capabilities in line with technological development. Six policies, listed below, form the basis of the program intended to build-up Japan's defense capability in an appropriate manner.

- 1) Establishment of multi-functional, flexible and effective defense capabilities
- 2) Organizational reviews of the Defense Ministry and SDF
- 3) Enhancement of fundamental defense capabilities through joint operations and strengthening of intelligence functions
- 4) Promotion of various measures that support defense capabilities, such as rational and efficient procurement of defense equipment
- 5) Further strengthening of the Japan-U.S. Security Arrangements
- 6) Efforts to streamline and increase efficiency of defense capabilities

### **2. Organizational Review of the Defense Ministry and SDF**

The Mid-Term Defense Program calls for an organizational review of the Defense Ministry and the SDF, as shown below, as a means of swiftly and efficiently transforming their structure into one in which new defense capabilities specified under the National Defense Program Guidelines can be acquired.

- 1) Ideal structure of internal bureaus will be studied in order to improve and strengthen organizations in charge of administrative defense policies, and necessary steps will be taken.
- 2) The Joint Staff will be established and the Staff Offices of the three SDF services will be reorganized in order to reinforce the joint operations system. Based on the achievement of the joint operations, evaluations of operations will be undertaken and measures necessary to increase effectiveness will be taken.

The Defense Intelligence Headquarters will be placed under the direct authority of the Director-General of the Defense Agency at the time.

- 3) The GSDF, the MSDF, and the ASDF will shift to the structure shown in Fig. II-2-2-5 under the previous section following the conclusion of the Mid-Term Defense Program.

### **3. Main Projects Concerning Capabilities of the SDF**

Concerning the SDF's defense capabilities, the Mid-Term Defense Program calls for effective response to new threats and diverse contingencies, preparations against full-scale invasion of Japan, proactive efforts on Japan's own initiative to help improve the international security environment, promotion of fundamental defense capabilities, and various measures that support such capabilities. Under the program, the main projects as shown in Fig. II-2-3-1 will be implemented in order to achieve these goals.

### **4. Measures to Strengthen the Japan-U.S. Security Arrangements**

Under the new security environment, the following measures will be taken in order to further strengthen the Japan-U.S. Security Arrangements and the close relationship with the United States which is backed by the arrangements.

- 1) Exchange of information and views on the international situation will be enhanced, and strategic dialogue on the general security situation will be continued.
- 2) Efforts will be made to establish an effective cooperative framework in the field of defense operations. In addition, joint exercises and training will be enhanced.
- 3) Cooperation in the field of ballistic missile defense (BMD) will be further promoted.
- 4) Efforts will be made to promote wide-ranging mutual exchanges in the fields of defense equipment and technologies.
- 5) Measures will be taken to allow smooth and effective stationing of U.S. forces in Japan.
- 6) Japan will proactively participate in international security efforts and will take measures to enable close collaboration with the United States.

### **5. Scale of Build-up and Necessary Budget**

#### **1. Scale of Build-up**

Fig. II-2-3-2 shows the specific scale of the build-up of main defense equipment needed for the aforementioned main projects being undertaken to improve the SDF's defense capabilities.

#### **2. Necessary Budget**

The total amount of defense-related expenditures required for the implementation of the Mid-Term Defense Program shall not exceed about ¥24.24 trillion under FY 2004 prices. Defense-related expenditures earmarked for each year are to be determined within the framework of the sum listed above, while further efforts are to be made to promote efficient and streamlined defense operations in harmony with other measures taken by the Government of Japan. An additional budget of up to ¥100 billion may be allotted as necessary in order to address various conditions including the need to respond to unforeseen events in the future if said budget is approved by the Security Council.

In addition, the Mid-Term Defense Program will be reviewed three years after its formulation if deemed necessary after taking into account the international situation and other developments.

Although there have been various changes to the situation since the implementation of the Mid-Term Defense Program, including the modernization of defense capabilities in countries surrounding Japan, discussions are being held at such fora as the Council for Reforming the Ministry of Defense, and it was decided that, as it would be appropriate to take these situations into account when considering the future Mid-Term Defense Program, no revisions to the program would be made at the end of last year. (See Fig. II-2-3-3 & 4) (See Part IV, Section 1)

**Fig. II-2-3-1 Major Projects Concerning Capabilities of the SDF under Mid-Term Defense Program**

Item		Main Projects
Effective response to new threats and diverse contingencies	Response to ballistic missile attack	<ul style="list-style-type: none"> <li>○ Capability improvement of Aegis-equipped destroyers</li> <li>○ Capability improvement of surface-to-air guided missiles (Patriot)</li> <li>○ Deployment of warning and control radars</li> <li>○ Modification to add ballistic missile response capabilities to the JADGE system (Japan Aerospace Defense Ground Environment)</li> </ul>
	Response to guerrillas and special operations force attacks	<ul style="list-style-type: none"> <li>○ As reinforcement measures of infantry units which are core human combat capabilities, increase of each rifle unit's standard personnel number and realignment of the sniper team of each infantry unit</li> <li>○ Improvement of readiness and mobility by deployment of light-armored vehicles, multi-functional helicopters (UH-60JA, UH-1J), combat helicopters (AH-64D) and others</li> <li>○ Improvement of response capabilities to nuclear, biological and chemical weapon attacks (NBC)</li> </ul>
	Response to invasion of Japan's offshore islands	<ul style="list-style-type: none"> <li>○ Improvement and enhancement of transportation capacities by deployment of successor aircraft of C-1 transport planes, transport helicopters (CH-47JA/J) and others</li> <li>○ Improvement of air and maritime interdiction capabilities by deployment of aerial refueling/transport aircraft (KC-767), fighters (F-2) and others</li> <li>○ Improvement of rescue capabilities by adding aerial refueling functions to transport aircraft (C-130H) and rescue helicopters (UH-60J)</li> </ul>
	Warning and surveillance in sea areas and airspace surrounding Japan, violation of Japanese airspace, and response to armed special operations vessels	<ul style="list-style-type: none"> <li>○ Deployment of DDH and DD destroyers, SH-60K patrol helicopters, MCH-101 minesweeping and transport helicopters and replacements of P-3C fixed-wing patrol aircraft</li> <li>○ Improvement of E-2C early warning aircraft and E-767 early warning and control aircraft, replacement of F-4 fighters</li> <li>○ Introduction of the F-4 fighter successor and modernization and upgrade of F-15 fighters while considering budget conditions</li> </ul>
	Response to large-scale and unconventional disasters	<ul style="list-style-type: none"> <li>○ Deployment of rescue amphibians (US-2) and rescue helicopters (UH-60J)</li> </ul>
Preparation against full-scale invasion	Continuing deployment of tanks, artillery, medium-range surface-to-air guided missiles, destroyers, submarines, minesweepers, patrol aircraft, fighters, and maintaining the most basic capabilities of its defense forces, while curbing spending on defense improvement for a period covered by the Mid-Term Defense Program in line with reductions of sizes of defense equipment indicated by the National Defense Program Guidelines (NDPG)	
Proactive and independent efforts to improve the international security environment	Appropriate measures for international peace cooperation activities	<ul style="list-style-type: none"> <li>○ Realignment of International Peace Cooperation Activities Training Units and Central Readiness Force Regiments assigned to the Central Readiness Force</li> <li>○ Procurement of conducive equipment for international peace cooperation activities such as transport aircraft, helicopters and light-armored vehicles</li> </ul>
	Enhancement of security dialogues, defense exchanges, and joint exercises with other countries	<ul style="list-style-type: none"> <li>○ Promotion of policies on bilateral, multilateral security dialogues and defense exchanges</li> <li>○ Support to the U.N. and other international organizations in activities related to arms control and disarmament</li> </ul>
Basic tasks for defense capability	Enforcement of joint operations	<ul style="list-style-type: none"> <li>○ Establishment of Joint Staff</li> <li>○ Reform of the Joint Staff College, implementation of unit drills, and sharing of intelligence and communications infrastructure</li> </ul>
	Enhancement of intelligence functions	<ul style="list-style-type: none"> <li>○ Strengthening the SDF intelligence structure including the recruitment, development, training and education of highly capable personnel</li> <li>○ Strengthening of information gathering instruments and devices</li> <li>○ Begin testing and upgrading for the reconnaissance tactics of F-15 fighters</li> <li>○ Take necessary measures on endurance unmanned aerial vehicles (EAVES) after deliberation</li> </ul>
	Response to advances in science and technology	<ul style="list-style-type: none"> <li>○ Enhancement of capabilities such as command and communications (aggregating and conveying command order-related information, intelligence sharing at unit levels, intelligence sharing of cyber attack countermeasure capabilities, and related organizations, deployment of advanced command and communication systems, and information communication networks)</li> <li>○ Promotion of research and development (development of a successor for the P-3C fixed-wing patrol aircraft, for the C-1 transport aircraft, replacement of present tanks, development of mobile combat vehicles, various command and control systems, and research of unmanned aerial vehicles and others)</li> </ul>
	Effective use of human resources	<ul style="list-style-type: none"> <li>○ Improvement of personnel management, education and training policies</li> <li>○ Promotion of research and education related to security issues</li> </ul>
Promotion of various measures to support defense capability	Rational and efficient equipment procurement	<ul style="list-style-type: none"> <li>○ Promotion of Comprehensive Acquisition Reform including the restraining of lifecycle costs, deployment of efficient procurement and supply systems, and the establishment of defense production and a technological basis</li> </ul>
	Promotion of cooperation with concerned organizations and regional communities	<ul style="list-style-type: none"> <li>○ Enhancement of cooperation with the police, fire department, and the Japan Coast Guard, cooperation with local public organizations and the local community based on the Law Concerning Measures for Protection of the Civilian Population in Armed Attack Situations (Civil Protection Law), and the promotion of measures taken for areas surrounding bases</li> </ul>

**Fig. II-2-3-2 Scale of Plans to Improve Major Defense Equipment under the Mid-Term Defense Program (FY 2005-2009) and Their Progress**

Major Equipment		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Improvement Achievements for FY 2005-2007 / Introduction Planned under Mid-Term Defense Program (MTDP)
GSDF	Tanks	12 tanks	11 tanks	9 tanks	9 tanks		41/49 tanks
	Artillery (excluding mortars)	7 vehicles	7 vehicles	8 vehicles	8 vehicles		30/38 vehicles
	Armored vehicles	16 vehicles	23 vehicles	18 vehicles	22 vehicles		79/104 vehicles
	Combat helicopters (AH-64D)	2 units	1 unit	1 unit			4/7 units
	Transport helicopters (CH-47JA)	1 unit	1 unit	1 unit	2 units		5/11 units
	Medium-range surface-to-air guided missiles	2 companies	1 company	1 company	1 company		5/8 units
MSDF	Enhance capabilities of Aegis system-equipped destroyers	1 vessel		1 vessel		1 vessel	3/3 vessels
	Destroyers	1 vessel	1 vessel	1 vessel			3/5 vessels
	Submarines	1 vessel	1 vessel	1 vessel		1 vessel	4/4 vessels
	New fixed-wing patrol aircraft	4 planes					4/4 vessels
	Patrol helicopters (SH-60K)	7 units	3 units	5 units			15/23 planes
	Minesweeping and transport helicopters (MCH-101)	3 units					3/3 units
ASDF	Enhance capabilities of Patriot surface-to-air guided missiles	Amount for 1 anti-aircraft group (used for training)	1 anti-aircraft group	1 anti-aircraft group	1 anti-aircraft group	Periodic repair reserve	2 groups & required training, etc. / 2 groups & required training, etc. (Note 1)
	Modernize fighter aircraft (F-15)	4 planes	2 planes	20 planes			26/26 planes
	Fighter aircraft (F-2)	5 planes	5 planes	8 planes			18/22 (18) planes (Note 2)
	New fighter aircraft						0/7 planes
	New transport aircraft						0/8 planes
	Transport helicopters (CH-47J)	1 unit	1 unit	1 unit			3/4 units
	Aerial refueling/transport aircraft (KC-767)	1 plane					1/1 plane

Notes: 1. The equipment which requires training differs from the composition of equipment used in unit deployments.

2. The number of F-2 fighters to be procured by Japan during the period covered by the Mid-Term Defense Program was revised to 18 planes from the initially set 22 planes as such a change was approved by the Cabinet on December 24, 2006.

**Figure II-2-3-3 Necessary Expenses**

Classification	Previous MTDP (FY 2001-FY 2005) [FY 2000 prices]	MTDP (FY 2005-FY 2009) [FY 2004 prices]
Total value	¥25.01 trillion	¥24.24 trillion
Personnel and provisions expenses	¥11.11 trillion	¥10.61 trillion
Non-personnel expenses	¥13.90 trillion	¥13.63 trillion
Other*	¥150 billion*	¥100 billion*

Note: In view of the need for the Mid-Term Defense Program (MTDP) to show a ceiling on the amount of defense-related expenses for a period covered by the program, necessary expenses under the program are shown on a spending basis, which covers expenditures both for already concluded contracts and new contracts for the period.

\* If it is deemed necessary for Japan to respond to unpredictable situations in the future, response actions against such situations can be budgeted after an approval by the Security Council of Japan.

**Fig. II-2-3-4 Contract Amounts of Material Expenses**

Previous Mid-Term Defense Program (FY 2001-2005) [FY 2000 prices]	Mid-Term Defense Program (FY 2005-2009) [FY 2004 prices]
¥14,190 trillion	¥13,650 trillion

Note: Contract amount signifies new contracted expenses for procurement of equipment, which starts work during the corresponding Mid-Term Defense Program period.