
Chapter II The Basics of Japan's Defense Policy, the National Defense Program Guidelines, and the New Mid-Term Defense Program

Section 1 The Basic Concept of Japan's Defense Policy

1. Measures to Ensure National Security

For a nation to achieve its peace and security, mere desire to do so does not suffice. As the world becomes increasingly interdependent, only through a comprehensive approach involving, among other things, diplomatic efforts, defense efforts and cooperation with alliance partners, can a nation ensure its peace and security. In the international arena, Japan has endeavored to enhance bilateral relations including the Japan-U.S. Security Arrangements. Japan has also been active in international cooperative efforts both at the regional and global level, contributing to conflict prevention and resolution, economic development, arms control and disarmament, and improved international trust and mutual understanding.

Meanwhile, such non-military means alone cannot ensure nation's peace and security: they are not always capable of deterring aggression and can never repel aggression should it occur. On the other hand, defense capability is in itself an expression of a nation's will and ability to repel aggression, and provides the ultimate guarantee of a country's security, and its function cannot be substituted by any other means. It has indeed been the policy of the Government to ensure a defense posture that has no capability gap. To this end, the Government has built, maintained, and operated appropriate level of defense capability, and has worked to improve the credibility of the Japan-U.S. Security Arrangements through, among other things, the building of an effective mechanism for bilateral cooperation. In addition to these defense efforts, the new security environment that has emerged in recent years increasingly calls for an endeavor involving defense capability toward improving international security environment in order to forestall security threats that may affect Japan.

2. The Constitution and the Right of Self-Defense

It is recognized beyond doubt that, as long as Japan remains an independent nation, the Constitution does not deny the inherent right of self-defense that Japan as a sovereign state is entitled to maintain. It is the established interpretation of the Constitution that it allows Japan to possess a force that is minimum necessary for national self-defense.

The right of self-defense under Article 9 of the Constitution may be exercised only when the following three conditions are met:

there is an imminent and illegitimate act of aggression against Japan;

there is no appropriate means to deal with such an act of aggression other than by resorting to the right of self-defense; and

the use of armed strength is confined to the minimum necessary level.

It is recognized under international law that a state has the right of collective self-defense, which is the right to use armed force to stop an armed attack on a foreign country with which it has close relations, even when the state itself is not under direct attack. Since Japan is a sovereign state, it naturally is entitled

to the right of collective self-defense. It has been the position of the Government, however, that the exercise of the right of collective self-defense exceeds the limit of self-defense authorized under Article 9 of the Constitution and is not therefore permissible under the Constitution.

3. The Basics of Defense Policy

The “1957 Policy for National Defense” provides some fundamental policies regarding Japan’s national defense, which include: promotion of cordial international relations; building of the foundation of national security through improving people’s livelihood; building of efficient defense capabilities; and centrality of Japan-U.S. Security Arrangements in countering aggression.

Other policies that are not included in the 1957 document include: adherence to exclusively defense-oriented policy; a resolve not to become a military power that poses threat to other countries; adherence to the Three Non-Nuclear Principles; and civilian control of the military.

Section 2 The New National Defense Program Guidelines (2004 NDPG)

1. The Evolution of the National Defense Program Outlines

The National Defense Program Outlines (1976NDPO and 1995NDPO)

Japan’s defense capability has been built in ways that are best respond to various conditions of given time: overall framework of international relations, the state of the SDF, regional situations surrounding Japan, and the nation’s economic and financial situations. The National Defense Program Outlines (NDPOs)* have served to provide basic guidelines for how Japan’s defense should be tailored to achieve its end. More specifically, NDPOs have covered such themes as overarching principles of national security and the roles of defense force, and, based on the foregoing, organization and force structure of the SDF as well as target force level for major equipment.

Note: The English Title for the Boueikeikaku-no Taikou was changed in 2004 from the “National Defense Program Outlines” to the “National Defense Program Guidelines” to better reflect the nature of the document. The Japanese title did not change.

The first NDPO was formulated and approved by the National Defense Council and the Cabinet in October 1976, based on the recognition that Japan’s defense capability had achieved the target force level through the implementation of the previous four defense build-up programs (covering three to five years), which warranted a policy guideline for the future. In 1995, the NDPO was revised in view of dramatic changes in the international environment signified by the end of the Cold War as well as the public increasing expectations for the SDF to play broader roles in such fields as overseas activities.

Features of 1976 NDPO

The 1976 NDPO was formulated against the backdrop of the détente in the 1970s, and adopted the ‘Basic Defense Force Concept’ based on the assumption that the underlying trends of international relations would not change significantly for some years to come. Rather than aiming at countering security threats

head-on, this concept called upon to possess the minimum necessary defense capability as an independent country so that Japan would not become a power vacuum that would be destabilizing for regional security.

This concept can be characterized as having heavier emphasis on *deterrent effect for preventing aggression against Japan* rather than actual response in the event of aggression.

Features of 1995 NDPO

While the Basic Defense Force Concept remained mostly unchanged, the 1995 NDPO paid attention to such factors as significant changes in international situations and increasing expectation to SDF roles, and made a review on the size and the functions of defense capabilities. It calls for defense forces that are capable of *effectively dealing with diverse contingencies* and that can have *appropriate flexibility* to be able to make a smooth response to an unexpected development of the situation by enhancing necessary functions and seeking for qualitative improvement while making efforts to pursue rationalization, efficiency and streamlining.

The 1995 NDPO can be summarized as a concept with greater emphasis on *effective operations of defense forces* Japan possesses and looking for *more proactive use of SDF capabilities in various missions not limited to (narrowly defined) national defense*.

2. Background of Formulating the 2004 National Defense Program Guidelines

(1) Changes in International Circumstances

Overall International Circumstances (Changes in Threat and Destabilizing Factors)

While the likelihood of a global conflict has become more remote even in comparison with the time of formulating the 1995 NDPO, attention is focused today not only on military conflicts between states, but also on major security threats such as *activities of non-state actors* including international terrorist organizations that are not easily identifiable. *Response to these new threats and diverse contingencies* has been an urgent issue for individual nations and the international community as well.

While traditional deterrent capability continues to play an important role in preventing state-to-state conflicts, *the concept of traditional deterrence may not necessarily prove to be effective* with respect to non-state actors like terrorists. It is necessary to pay a closer attention to the fact that it has become *increasingly difficult for any country to deal with on its own with such new threats* that have the potential to spread beyond national borders.

Increasing International Cooperation Efforts & the Changes in the Roles of Military Force

Ensuring stable international security environment has become the common interest of all countries, and each country is making *a broad range of efforts* to resolve security issues by utilizing defense capabilities as well as other measures and coordinating such measures under *international collaboration*.

Military forces have come to *assume a variety of roles* in the push towards greater stability in the security environment. In addition to their traditional roles of deterring and responding to armed conflicts, military forces *have been actively called upon* for stabilization of security environment, ranging from

conflict prevention to reconstruction assistance.

Security Environment Surrounding Japan

In the areas surrounding Japan, efforts are underway to ***strengthen bilateral and multilateral partnership and cooperation***. While, the likelihood of a full-scale invasion of Japan has declined.

On the other hand, the countries in the areas surrounding Japan are characterized by ***diversity in ethnic groups, religions, political systems, and economic strength***; the area also features several major countries and having a complex structure of interwoven interests as well as disputes over unification, territory and maritime interests. Many countries are also ***modernizing and improving their military capabilities***.

In particular, North Korea is engaged in the development and deployment of weapons of mass destruction and ballistic missiles and maintaining and reinforcing its asymmetric military capabilities (e.g. large-scale special forces), giving rise to circumstances that profoundly affect the regional and Japan's peace and stability.

China with a key influence on the security of this region continues to grow steadily as a major power in the region both politically and economically, while in the military sphere the country has been modernizing its nuclear/missile forces as well as its naval/air military capabilities and seeking to expand the scope of its activities at sea. Attention must also be paid to these trends in future.

(2) Remarkable Technological Developments

Technological advancements led by the information and communications technologies have been remarkable, ***considerably impacting on the defense strategies*** of all nations, and compelling them to review their own equipment and systems as well as their strategic concepts.

(3) Expanding SDF's Activities and Japan's Strengthened Emergency Response Mechanism

The SDF's activities have been diversifying and expanding. Through various activities in response to contingencies, coordination with relevant functions such as police agencies and local communities has been reinforced.

(4) Geographical Characteristics of Japan

Japan is located at a key strategic point. Its territory consists of a long, thin crescent-shaped archipelago with long coastline and many small islands distant from the main islands, which could present vulnerabilities that require special attention from security viewpoint. Japan is also prone to natural disasters such as earthquakes, typhoons, and volcanic eruptions among other countries because of its geographical conditions: terrain, geology, climate and others. In addition, it is essential to ensure safety of maritime traffic and stable utilization of the oceans for sustained socioeconomic stability/development and the livelihood of the Japanese people.

3. A Series of Studies and Decisions that led to the Formulation of the 2004 NDPG

Prior to the formulation of the National Defense Program Guidelines in December 2004, various studies were conducted on different occasions.

In December 2003, based on the studies and reviews conducted within the Defense Agency (“Defense Posture Review Board”) (established in September 2001), ‘*The Direction for Reviewing Defense Capabilities*’ was stipulated in the Cabinet Decision titled “On Introduction of Ballistic Missile Defense System and Other Measures”. This Cabinet Decision called for an inter-ministry review of defense capabilities to formulate a National Defense Program Guidelines that replaces the 1995 NDPO by the end of 2004 in accordance with the ‘*Direction*’

In April 2004, the Council on Security and Defense Capabilities (Chairperson: Hiroshi Araki, Advisor of TEPCO) was established under the supervision of Prime Minister Koizumi, to gather opinions from experts in security and business communities, as a part of government’s initiative to make a comprehensive review on future security and defense postures with broad perspectives. This council had 13 meetings and submitted the final report “Japan’s Visions for Future Security and Defense Capabilities” (Araki Report) to Prime Minister Koizumi in October 2004.

The report depicts the new security environment and the need to respond to threats that are complex and diverse both in terms of actor and nature, as characterized by the emergence of non-state actors like terrorist organizations. It also lays out the “*Concept of Integrated Security Strategies.*” This calls for *integrated execution of appropriately combined three approaches*, namely i) Japan’s own efforts, ii) collaboration with allies, and iii) collaboration with the international community, to *achieve (Japan’s) two (security) objectives*: i) defending Japan, and ii) preventing threats by improving the international security environment

In October 2004, the Security Council of Japan began deliberations on future defense policy and force structure based on ‘The Direction for Reviewing Defense Capabilities’ included in the 2003 Cabinet Decision and the Report. In December 2004, the Government made a Cabinet Decision on the 2004 NDPG after making broad and comprehensive reviews in the Security Council.

4. The Basic Concept of the 2004 NDPG

(1) Articulation of Two Objectives and Three Approaches as the Basic Concept on Japan’s Security

In order to ensure peace and security of Japan, the new 2004 NDPG clearly defines Japan’s Basic Policy for Security and identifies the following two objectives;

to *prevent direct threats to Japan*, and to eliminate the threats that reach Japan as well as to minimize the damage, and

to *improve the international security environment* and to prevent any threats from reaching Japan.

To achieve these objectives, *appropriate combination of the three approaches* should be exerted in an integrated manner; namely i) Japan’s own efforts, ii) cooperation with the allies and iii) cooperation with the international community.

(2) Clarifying the Concept of New Defense Capabilities: Shifting Focus from “Deterrent effect-oriented” to “Response capability-oriented” Defense Capabilities

The Basic Defense Force Concept, which the 1995 NDPO basically succeeded from the 1976 NDPO, was reviewed for the following two reasons in recognition of changes in security environment surrounding

Japan.

Further Effective Response to the Situations

The Basic Defense Force Concept, in short, focused on the deterrent effect of defense force's presence, deterring aggression by adequate defense capabilities. However, since the new threats and diverse contingencies are difficult to predict and can occur unexpectedly, conventional deterrent power by the presence of defense forces will not necessarily work effectively. Therefore, defense capabilities of the future require improved readiness and mobility to enable effective responses to diverse contingencies and to minimize damages.

Proactive Efforts for the International Peace and Cooperation Activities

There is wide recognition that today's security issues such as the new threats and diverse contingencies are difficult for one nation to resolve, and that peace and security of Japan is directly and closely linked to peace and security of the international community. In order to ensure Japan's security, Japan must proactively participate in international collaborative activities (International Peace Cooperation Activities) by utilizing its defense capabilities for the improvement of international security environment.

Under this circumstance, it has become more difficult to build defense capabilities based solely on Japan's Basic Defense Force Concept, that ***focuses on the defense of Japan (and emphasizing the passive aspect*** (of not turning into a power vacuum and becoming a destabilizing factor for surrounding regions.))

New Concept on Defense Capabilities: "Multi-Functional, Flexible and Effective Defense Forces"

In recognition of these points, future defense force shall be characterized by high response capability, mobility, flexibility and multi-purpose functionality. It shall also be supported by advanced technology and information/intelligence capabilities reflecting the trends in military technology. All of these will contribute to making future defense force "multi-functional, flexible, and effective", and capable of responding to various contingencies in a flexible manner.

Thus, the focus should be shifted from "deterrent-effect-oriented" to "response-capability-oriented" defense force, with stronger emphasis on the ability to respond to various situations both at home and abroad..

5. Quick Points about 2004 NDPG

(1)Basic Principles of Japan's Security Policy

Basic Principles

See the section 4. "The Basic Concept of the 2004 NDPG"

Japan's Own Efforts

Based on the recognition that Japan's security depends first and foremost on its own efforts, the 2004 NDPG states that Japan will utilize all appropriate means to prevent any threat from directly reaching the

country. In the event that these efforts fail to prevent a threat from reaching Japan, the Government of Japan will take an integrated response by swiftly making appropriate decisions through bringing together all relevant organizations.

Japan-U.S. Security Arrangements

The 2004 NDPG says that the Japan-U.S. Security Arrangements are indispensable for Japan to ensure its security, and the presence of the U.S. military is essential for the maintenance of peace and stability in the Asia-Pacific region. The progress made with Japan-U.S. cooperation for global issues such as the fight against terrorism, close Japan-U.S. cooperative relationships are playing a significant role in the international efforts for preventing and responding to the new threats and diverse contingencies.

Cooperation with the International Community

In order to improve the international security environment and help maintain security and prosperity of Japan, the Government of Japan will actively engage in diplomatic efforts, including the strategic use of Official Development Assistance (ODA). Based on the recognition that the destabilization of the international community by events such as regional conflicts, proliferation of weapons of mass destruction, and international terrorist attacks would directly affect its own peace and security, Japan will, on its own initiative, actively participate in international peace cooperation activities as an integral part of its diplomatic efforts.

In addition, stability in the regions spreading from the Middle-East to East Asia is particularly critical to Japan, and thus the Government of Japan will promote the cooperative efforts on security issues common to other nations as well, make efforts to maintain the stability of these regions, and actively engage in the U.N. reform. Japan will also promote the efforts for multilateral frameworks for regional security such as the ASEAN Regional Forum (ARF) in the Asia-Pacific region.

(2)Future Defense forces

Role of the Defense Forces

In recognition of new security environment, the 2004 NDPG defines the role of the defense forces as “effective response to the new threats and diverse contingencies,” “proactive efforts to improve the international security environment,” and “preparation to deal with full-scale invasion,” which is the primary role of defense forces, and Japan will develop and maintain, in an efficient manner, the necessary Self-Defense Forces posture to effectively carry out missions in each of the areas.

Measures to be Taken for the Development of Defense Capabilities

In order for defense forces to play these roles under new security environment, the 2004 NDPG particularly emphasize the following measures to be promoted as basic items of defense forces, in the recognition without which their realization is impossible:

“To enhance joint operation capabilities”;

“To strengthen intelligence capabilities”;

“To incorporate the progress in science and technology into our defense forces”; and

“To utilize human resources more efficiently”

(3) Specific Defense Posture

Ground Self Defense Force

In the new force posture, the infantry units will be reinforced to enable them to effectively respond to the new threats and diverse contingencies including guerrillas’ attacks and special operations forces attacks, invasion of offshore islands, and large-scale and special type disasters.

Maritime Self Defense Force

The new force structure will be designed based on the needs of ensuring timely and effective response to the new threats and diverse contingencies as well as international peace cooperation activities. To meet these needs, effective tasking and formation of units as well as accelerated command flow through reducing the layers of commands for operations (i.e. simplifying the command structure) will be required. In accordance with this new concept, missions will be divided between commanders, those mainly in charge of commanding highly trained units to respond to various situations and those mainly in charge of training up of units to qualified level.

Air Self Defense Force

In the new force structure, traditional defense build-up concept, succeeding from Cold War era and focusing on anti-aircraft combat warfare, will be changed and the number of combat aircraft in possession will be streamlined. At the same time, the posture to enable ASDF’s proactive participation in international peace cooperation activities will be enhanced and necessary force structure and posture will be maintained to take appropriate action/measures to the violation of the Japanese airspace without delay.

Key Equipment and Major Units Available for Ballistic Missile Defense (BMD)

The attached table for the NPDG shows the “Key Equipment and Major Units Available for Ballistic Missile Defense” as breakdown figures of key equipment for the MSDF and major units of the ASDF. The system consists of 4 Aegis-equipped destroyers as major equipment, and air warning and control units formed with 7 warning groups and 4 warning squadrons and 3 groups of surface-to-air guided missile units as major force.

Additional Elements for Consideration

The 2004 NPDG calls for taking and implementing the following elements into consideration in developing, maintaining, and operating defense forces.

Consideration for increasingly severe fiscal conditions

Seeking to curb life-cycle cost of defense equipment including purchase price

More effective and efficient procurement and research and development

Establishing defense production and technological bases (core technological areas indispensable for national security) by allocating the limited resources through selection and concentration

Promotion of measures to make defense-related facilities coexist more harmoniously with local communities

Level and Timing of Defense Forces to be Achieved and the review of the NDPG

The 2004 NDPG provide the vision for our defense forces for the next decade, setting out the expected timetable for achieving defense force level as well as the timing and conditions for reviews, unlike 1976 and 1995 NDPOs which do not clarify the timing for achieving the target force level in the attached table approved by the Cabinet.

This is based on the idea that facts on Japan's defense capabilities need to be shown to the people as specific as possible. The NDPG is scheduled for reviews in 5 years or when significant changes are observed, and necessary review and revision will be made in consideration of the security environment and technological trend at that time.

6. Three Principles on Arms Exports

The statement by the Chief Cabinet Secretary released along with 2004 NDPG refers to issues on arms export control. In consideration of the progress of Japan-U.S. joint technology studies, it states, if Japan decides that it will engage in joint development and production of ballistic missile defense system with the United States, the Three Principles will not be applied, under the condition that strict control is maintained, because, with the ballistic missiles proliferating internationally, such systems and related activities will contribute to the effective operation of the Japan-U.S. security arrangements and are conducive to the security of Japan.

In addition, it states that how to handle cases of joint development and production with the United States (other than those related to the ballistic missile defense system) as well as those related to support of counter-terrorism and counter-piracy, regarding which questions that were raised through the process by which the NDPG was developed will be decided on the basis of individual examination of each case.

Section 3 Toward Achieving New Defense Capability

To realize a phased transition to a new structure stipulated by the new NDPG, the Government of Japan approved in December 2004 the "Mid-Term Defense Program (FY 2005-FY 2009) (new MTDP) at its Security Council and the Cabinet Meeting. The new MTDP is the first MTDP under the new NDPG, and enables the realization of new defense capability based on a ***concept of establishing multi-functional, flexible and effective defense forces*** by focusing on effective response to new threats and diverse contingencies.

1 . The New Mid-Term Defense Program (MTDP)

(1) Guiding Principles

—Establishment of “Multi-Functional, Flexible and Effective Defense Forces”

—Review of organizations of the Defense Agency and the SDF

Enhancement of Basic Defense Forces through improvement of joint operations and intelligence functions

Promotion of measures to strengthen infrastructure for defense forces

Further enhancement of Japan-U.S. Security Arrangements

Efforts to rationalize, and improve efficiency of, defense forces

(2) Review of Organizations of Defense Agency and the SDF

Review of Organizations in Charge of Defense Administration

Defense Agency shall study the modality of structures and formation of its internal bureaus and take necessary measures, including reorganization, in order for the SDF to perform its duties more effectively.

Enhancement of Joint Operations Systems (Structure)

To enhance the joint operations system/postures (structure), Defense Agency will review existing organizations to improve their efficiency, establish new Joint Staff Office and reorganize existing Staff Offices.

Ground Self Defense Force

Five divisions, one brigade and two combined brigades will be reorganized to curtail battles tanks and main artillery equipment and further improve readiness, mobility, etc., of which one division and two combined brigades will be reorganized into brigades.

The Central Readiness Group will be newly formed to control and operate both mobile operation units, such as airborne brigades and helicopter brigades, and specialized units, such as special operation groups and chemical protection units.

Maritime Self Defense Force

As for escort vessel units to be used for mobile operation, the number of escort vessels of 1 escort vessel unit will be increased from current level of 2–3 to 4, while 12 escort vessel units will be streamlined to 8 units. The number of the escort vessel units for regional deployment will be reduced by one. Reorganizations will be made with regard to submarine units (from 6 to 5), fixed-wing patrol aircraft units (from 8 to 4) and patrol helicopter units (from 9 to 5) respectively.

Air Self Defense Force

The aircraft control and warning unit will be reorganized, and the aircraft control and warning squadron will consist of 2 flying corps (one flying corps operating E-767 early warning and control aircraft and another flying corps operating E-2C early warning aircraft). The in-flight refueling and transport unit will be newly established when KC-767 in-flight refueling and transport aircraft are deployed.

(3) Expenses Required for 2004 MTDP

The total amount of defense-related expenditures required for the implementation of the new MTDP shall not exceed about ¥24.24 trillion in Fiscal 2004 price. It is required that the annual budget be decided within the framework of the above-mentioned defense-related expenditures. In addition, an additional budget not exceeding ¥100 billion may be used for implementing projects subject to the approval of the Security Council of Japan in cases where extra spending is required to respond to unforeseen future events.

(4) Review of the Program

In three years, the new MTDP will be reviewed within the total amount of the defense-related expenditures as the case may be in consideration of domestic and overseas circumstances.

In five years, or if circumstances change significantly, the visions of the Japanese defense forces defined in the new NDPG will be examined and amended accordingly in consideration of then prevailing security environment and technological standards.

2. Defense Build-up Program for Fiscal 2005

For FY 2005 defense program/budget, an emphasis will be made on the following points.

Effective Response to New Threats and Diverse Contingencies

Promotion of Measures for the Ballistic Missile Defense (BMD) System

Defense against Guerilla or Special Operations Forces Attacks

Defense against Nuclear, Biological, and Chemical Attacks

Defense against Invasion upon Japan's Offshore Islands

Reactions to Armed Infiltration Boat and Other Vessels

Response to Large-Scale or Extraordinary Disasters, etc.

Matters Related to New Joint Operations Structure

Establishment of More Advanced Information/Communications and Intelligence Infrastructure

Enhancement of Intelligence Functions

Activities to Maintain Peace and Stability in the International Community, Including Japan

Enhancement of Personnel Measures, and Education and Training of SDF Units

Response to Progress in Military Science & Technology (promotion of advanced technology R&D)

Promotion of Base Countermeasures etc.

Promotion of Comprehensive Acquisition Reforms

Enhancement of environmental measures to reduce environmental impact from SDF's activities

3. Defense-Related Expenditures

Total defense-related expenditures for FY 2005 amount to ¥4,830.1 billion excluding ¥26.3 billion for SACO-related expenses, down ¥46.3 billion (1.0%) from the previous fiscal year level.

Section 4 Shift to Permanent Joint Operations Structure

1. Background of the Reorganization

In July 1954, the Joint Staff Council (JSC) comprising a Chairman and the Chiefs of Staff of the GSDF, MSDF, and ASDF, was established aimed at comprehensive and effective management of the SDF. The role of this Council has been gradually expanded to meet the demands of the times. In actual operations, however, each service has acted separately in accordance with its own operational concept; when necessary, the JSC is authorized to provide coordination and/or control among the services, but its basic position has been to allow each service to operate on its own.

In April 2002, the Minister of State for Defense issued instructions to the JSC and the Chiefs of Staff to carry out studies on joint operations. In December, a report (Report on the Study of Joint Operations) was submitted that outlined the need to switch from a structure in which each service of the SDF basically operates independently to one in which joint operations are the norm.

The newly formulated 2004 NDPG requires that “We will create a central organization to facilitate joint operations, and establish infrastructure for training and education as well as intelligence and communications.” The new MTDP formulated simultaneously with the 2004 NDPG states that “The GOJ will establish a new Joint Staff Office and transform each service Staff Office in order to strengthen the joint operations. The GOJ will continue to study on whether or not further organizational change is necessary for effective joint operations, and take necessary measures.”

By the end of Fiscal 2005, the Defense Agency is scheduled to establish a new joint operations structure for the SDF.

2. The Needs for Enhancing SDF’s Joint Operations Structure

(1) Ensuring Swift and Effective Responses through Integrated GSDF/MSDF/ASDF Operations

Strengthening Integration among the SDF Services

The SDF is to establish a joint operational posture, in normal circumstances, linking SDF units so that they can carry out their mission swiftly and effectively on the basis of a jointly designed/planned operational concept.

Utilization of Advanced Military Technology

The success or failure of missions in new operational environment often hinges on the degree of utilization of information and communications technology. Joint operational posture must be established that allows maximum utilization of the latest military technology in SDF operations.

(2) Consolidating Military Expert Advice Provided to the Minister of State for Defense

Under the present operational posture in which the Chiefs of Staff and the JSC all provide their own military expert advice to the Minister of State for Defense, the accounts may be based on differing assessments of the situation and differing operational concept, which this could hinder swift and effective

responses in an emergency.

To resolve this problem and to maintain close cooperation with policy advisors in the Agency's internal bureaus, military expert advice should be consolidated in any situations.

(3)Improving the Effectiveness of the Japan-U.S. Security Arrangements

When engaging in joint operations with U.S. joint force, the GSDF, MSDF and ASDF under the present operational posture operate independently at times and coordinate joint operations when necessary; this stands in contrast to the United States, in which forces from all four services operate under a single commander and in line with an unified joint operational concept.

The SDF should therefore adopt a joint operations posture to facilitate joint operations with U.S. Forces in accordance with operational concept designed and proposed by both sides from their respective stances on integration.

3. Establishment of New Joint Operations Structure/Organization

(1)Concept of New Joint Operations Structure

Under the new joint operations system, new Joint Chief of Staff, as chief of the newly created Joint Staff Office will prepare a unified operations concept for GSDF, MSDF and ASDF, and solely assist the Minister of State for Defense on SDF operations from the standpoint of military expert.

In other words, under the new joint operations system, Joint Chief of Staff will solely assist the Minister of State for Defense from the standpoint of military expert on all operations of GSDF, MSDF and ASDF, such as defense operations, public security operations and international disaster relief activities.

Should a serious situation take place, the Minister of State for Defense will exercise command through Joint Chief of Staff on operations even when units of a single SDF service (for example, GSDF) are mobilized to respond to the situation.

(2)Creation of Joint Staff Office and other measures

The new Joint Staff Office* will perform those functions concerning operations of the SDF that are transferred from Staff Offices of GSDF, MSDF and ASDF. On the other hand, each Staff Office of GSDF, MSDF and ASDF will continue to perform the functions concerning training/education, personnel management, defense build-up etc. In other words, Joint Staff Office will perform a function to operate troops (Force user), while each Service Staff Office will perform a function to build troops (Force provider).

Note: Current Office to be reorganized into New Joint Staff Office has the same English translation but the Japanese word for it (Toubaku-Jimukyoku) literally means "Secretariat of Joint Staff Council" and has limited functions compared with those of the New Staff Office.

4. Other Measures Taken in Line with the Shift to Joint Operations Structure

(1) Placing the Defense Intelligence Headquarters (DIH) under the Direct Command of Minister of State for Defense

The Defense Intelligence Headquarters (DIH), currently under the Joint Staff Council, will be placed under the direct command of Minister of State for Defense in order to clarify its missions and responsibilities as “the central intelligence organization of the Defense Agency.” Thus DIH will be well capable of responding to various needs of internal organs and the Government.

At the same time, Directorate for Joint Intelligence (tentative name) with an intelligence assistance function to consolidate intelligence needed for operations of the SDF will be newly created for efficiency within DIH to replace Directorate for Crisis and Current Intelligence (currently performing similar but limited function).

(2) Enhancement of Command and Communications Capabilities

To conduct joint operations or perform in international peace cooperation activities properly, it is essential for the SDF to establish a reliable command and control and timely intelligence sharing scheme instantly. To respond to the extended scope of activities or swift operations, it is required that comprehensive and mobile intelligent and communications infrastructure should be established based on domestic and foreign cutting edge information technology.

(3) Other Measures

In addition to above-mentioned programs, there is a need for strengthened training framework, including joint exercises. It is also necessary to conduct studies on (the most effective structure of) future SDF command head-quarters, and the need for revising equipment utilization in light of joint operation. These issues should be addressed after having studied the actual effect of joint operations following the establishment of joint operations structure.

Section 5 Japan-U.S. Security Arrangements and Various Related Policies

1. The Significance of the Japan-U.S. Security Arrangements

Maintenance of Japan’s Security

In combination with the maintenance of its own appropriate level of defense, Japan will and should maintain its bilateral alliance with the U.S, and ensure its own security through making the deterrent power provided by the alliance work effectively.

Maintenance of Peace and Stability in the Region Surrounding Japan

The close relationship between Japan and the United States, founded on the Japan-U.S. Security Arrangements, forms the basis for securing the engagement of the United States and the deployment of U.S. forces necessary for the peace and stability of the region surrounding Japan. Together with alliances and

friendly relations between the United States and other countries of this region, the Japan-U.S. security relations continue to play a key role in securing the peace and stability of the region.

Improvement of International Security Environment

The cooperative Japan-U.S. partnership, founded on the Japan-U.S. Security Arrangements, constitutes the basis for Japan's foreign policy and helps Japan play a positive role in maintaining the peace and stability of international community, including the promotion of multilateral security dialogues and cooperation in U.N. activities.

2. Various Policies Concerning Japan-U.S. Security Arrangements

(1) Developments since the Japan-U.S. Joint Declaration on Security

Based on the Japan-U.S. Joint Declaration on Security (April 1996), Japan and the US formulated the Guidelines for Japan-U.S. Defense Cooperation ("the Guidelines") in September 1997. In order to ensure the effectiveness of the Guidelines, Japan implemented measures such as the enactment of the Law Concerning Measures to Ensure the Peace and Security of Japan in Situations in Areas Surrounding Japan. Through these measures, Japan-U.S. defense cooperation has become more effective, and the credibility of the Japan-U.S. Security Arrangements strengthened.

At the Japan-U.S. summit meeting held in May 2003, the two countries agreed to enhance the "Japan-U.S. alliance in a global context," including the enhancement of collaboration in responding to global challenges, such as international terrorism and proliferation of weapons of mass destruction, in cooperation with the international community.

Recent Policy Consultations between Japan and the United States (in and after 2004)

The Japan-U.S. defense summit meeting between Yoshinori Ohno, Japan's Minister of State for Defense and Donald Rumsfeld, the U.S. Secretary of Defense was held in the United States in November 2004 and in February 2005.

On the 19th of February 2005, the "two-plus-two" meeting by Defense Minister Ohno, Secretary of Defense Rumsfeld, Foreign Minister Machimura, and Secretary of State Rice was held for the first time since December 2002. In the Joint Statement, the four Ministers confirmed strategic objectives common to Japan and the United States based on the past Japan-U.S. consultations on common strategic objectives.

Japan-U.S. Bilateral Exercises

Bilateral exercises conducted by the SDF and U.S. forces are useful in enhancing the tactical skills of both sides. Bilateral exercises are also an indispensable means of facilitating mutual understanding and maintaining close communication under normal circumstances, improving interoperability and ensuring the smooth conduct of a Japan-U.S. joint response in the event of an armed attack against Japan. Such efforts serve to maintain and enhance the credibility of the Japan-U.S. Security Arrangements as well as the effectiveness of the deterrent.

In November 2004, a Japan-U.S. bilateral exercise, joined by about 11,300 personnel in total from the

Joint Staff Council, GSDF, MSDF and ASDF, was held to ensure the smooth cooperation and coordination among SDF services as well as between the SDF and U.S. forces in the event of an armed attack against Japan or a contingency in areas surrounding Japan.

The Acquisition and Cross-Servicing Agreement (ACSA) between Japan and the United States

The basic principle of the ACSA between Japan and the U.S. is that if either side requests the provision of goods or services, the other side should provide those goods or services. Its scope of application includes joint exercises, U.N. PKOs, international humanitarian relief operations, activities conducted in response to unstable situations in areas surrounding Japan, operations needed to repel attacks against Japan at a time of armed attack situation or in a situation where an armed attack is anticipated, disaster relief missions, evacuation operations for Japanese citizens residing overseas, and U.S. forces temporarily stationed in domestic facilities of the SDF.

Mutual Exchanges of Equipment and Technology

In view of the progress of technological cooperation between Japan and the United States and the improvement of technological standards, Japan decided to open the way for the transfer of its military technology to the United States in 1983, as an exception to the Three Principles on Arms Exports and other regulations. It has so far determined to provide the U.S. with 14 items of military technology, from portable surface-to-air missile (SAM) technology for U.S. naval vessels to research weapons technologies related to joint technical research on ballistic missile defense.

So far, the two countries have concluded arrangements for 12 joint research projects, including arrangements for avionics of the P-3C replacement and software radio. Among these joint projects, seven have already been completed. In May 2003, the two governments concluded an arrangement for the Engineers and Scientists Exchange Program (ESEP). Japan dispatched an engineering official specializing in laser technology to the United States in August 2003, and an engineering official specializing in ammunition technology in March 2005.

The Japan-U.S. cooperation in military equipment and technology is meaningful for improving interoperability and for reducing R&D costs and risks, and the two countries have been examining the possibility of expanding joint research projects in the years to come.

Measures to Ensure the Stationing of the U.S. Forces in Japan

The stationing of the U.S. Forces in Japan (USFJ) forms core of the Japan-U.S. Security Arrangements and also serves as an expression of U.S. commitment to Japan and the Asia-Pacific region.

The cost sharing for the stationing of USFJ is important in order to ensure the smooth and effective implementation of the Japan-U.S. Security Arrangements. From this point of view, the Government of Japan has made efforts as far as possible within the scope of the Status of Forces Agreement or based on the Special Measures Agreement, with due consideration for the situation of the finances and so forth in Japan.

At present, the Defense Agency bears the following costs as the cost sharing for the stationing of USFJ:

costs for the Facilities Improvement Program for the facilities and areas to be used by USFJ;

labor costs for USFJ employees locally employed;
utility costs for official procurement by USFJ; and
additional costs for the relocation of USFJ training at the request of the Japanese side.

Under the present Special Measures Agreement, the Government of Japan has introduced certain measures for savings and rationalization from considerations of the recent situation of Japanese economy and finances and so forth.

In addition, the Government of Japan has been promoting various measures concerning the USFJ facilities and areas in order to achieve the objectives of the Japan-U.S. Security Treaty and to harmonize with demands from the local communities around the facilities and areas. When a U.S. helicopter crashed in Ginowan city, Okinawa Prefecture in August 2004, the Government of Japan took measures, including convening the Occurrence Subcommittee, taking the seriousness of the accident into consideration.

3. Current Status of Japan-U.S. Strategic Dialogues

So far, Japan has been actively engaged in strategic dialogues with the United States, including realignment issue of U.S. Force structure in Japan, in accordance with the following basic policy.

Basic Policy

In view of today's security environment, the Government of Japan has recently formulated the new NDPG to properly respond to new threats and diverse contingencies, and unpredictable and uncertain elements, including those related to the Korean Peninsula and the Taiwan Strait. The new NDPG has clarified the vision for Japan's future security and defense capabilities.

As shown in the new NDPG, Japan-U.S. Security arrangements are indispensable to the security of Japan and U.S. military presence is vital to the maintenance of peace and stability in the Asia-Pacific region where there still exist unpredictable and uncertain elements. Thus, the Government of Japan is actively conducting strategic dialogues with the United States.

As part of its military "transformation," the United States is promoting the review of military posture on a global scale in close coordination with allied countries. In consultations between Japan and the United States, studies on Japan-U.S. future cooperation have been made in line with security policies of the two countries.

The Government of Japan has been engaged in bilateral dialogues in accordance with the following principles:

- 1) to establish the military posture to cope with new threats and traditional challenges, and maintain the deterrence and capabilities of the US Forces in Japan; and
- 2) to reduce the burden on local communities to enable stable use of the facilities and areas of the US Forces in Japan, indispensable for ensuring safety of Japan and stability of the region.

Common Strategic Objectives

Based on the consultations conducted between Japan and U.S. defense and foreign affairs officials, Japan and the United States confirmed the common strategic objectives to be pursued by the two countries at the "two-plus-two" meeting held in February 2005. The outline of these objectives is as follows.

Discussion on the security environment (new and emerging threats such as international terrorism and proliferation of weapons of mass destruction, and persistent challenges that continue to create unpredictability and uncertainty in the Asia and Pacific region)

To pursue common strategic objectives (through their respective efforts, cooperation under the Japan-U.S. Security arrangements and other joint efforts based on the alliance)

To articulate common strategic objectives

In the region, common strategic objectives include:

Ensure the security of Japan, strengthen peace and stability in the Asia-Pacific region;

Support peaceful unification of the Korean Peninsula;

Seek peaceful resolution of issues related to North Korea;

Develop a cooperative relationship with China, welcoming the country to play a responsible and constructive role regionally as well as globally;

Encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue;

Encourage China to improve transparency of its military affairs; and

Promote a peaceful, stable and vibrant Southeast Asia.

Global common strategic objectives include:

Promote fundamental values in the international community;

Further consolidate Japan-U.S. Partnership in international peace cooperation and others;

Promote the reduction and non-proliferation of WMD; and

Prevent and eradicate terrorism.

Roles, missions and capabilities

The Joint Statement made at the above-mentioned “two-plus-two” meeting underscored the need, in pursuing the common strategic objectives, to continue examining roles, missions, and capabilities of Japan’s Self-Defense Forces and the U.S. Armed Forces required responding effectively to diverse challenges in a well-coordinated manner.

These studies will be made in consideration of Japan’s new NDPG, the legislation regarding responses to armed attacks, the revised ACSA, the progress of cooperation in Ballistic Missile Defense and other recent developments. At present, these studies are being made by defense and foreign affairs officials of Japan and the United States.

Realignment of U.S. Forces in Japan

Studies on the force structure of U.S. forces in Japan are being made, taking into account of the studies on strategic objectives and the roles, mission and capabilities of Japan and the United States, in view of the maintenance of deterrence capability to enable effective concerted response to diverse contingencies by Japan and the United States and the importance of reduction of excessive burdens on local communities to enable U.S. forces in Japan to be stationed in a reliable manner with understanding of local people.

In particular, studies on the realignment of U.S. forces in Japan are being made jointly by Japan and the United States by taking into consideration following points: the maintenance of functions to enable effective responses to diverse contingencies; changes in security environment, recent drastic changes in strategies and tactics due to technological breakthrough, and changes in roles to be played by Japan due to the establishment of the new National Defense Program Guidelines and various emergency legislations; and the possibility of relocation of facilities and areas and troops of U.S. forces to reduce excessive burdens on local communities, including Okinawa.

Future Tasks

Strategic dialogues between Japan and the United States, including those on the realignment of U.S. forces in Japan, are conducted at the three stages: 1) strategic objectives, 2) the roles, missions and capabilities of the SDF and the U.S. forces, and 3) review of individual facilities and areas. As clarified at the “two-plus-two” meeting held in February 2005, studies of the first stage were completed. At present, studies of the second and third stages are being conducted in a concentrated manner.

Since these studies directly affect the lives of citizens of the regions where the facilities and areas of U.S. forces in Japan are located, it will be necessary to fulfill accountability by explaining the conditions of studies to local communities concerned at the right timing and sounding out opinions in order obtain the understanding of the general public.