

Defense Programs and Budget of Japan

Overview of FY2010 Budget



Ministry of Defense

This is a provisional translation for reference purpose only.

The original text is in Japanese.

Contents

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Notes

1. Figures in the text indicate expenses needed for equipment production excluding initial costs, unless otherwise noted.
2. Figures in the text are contract-based, unless otherwise noted.

To steadily build up defense capabilities in accordance with the Guideline for Formulation of FY2010 Defense Budget (Approved by Security Council and Cabinet on December 17, 2009)

1. Basic Concept

In FY2010, the Government of Japan (GoJ) is committed to building up its defense capabilities based on the concept laid out in the National Defense Program Guidelines (NDPG), in order to be able to effectively fulfill the role of the defense forces specified in the NDPG.

In view of the security environment surrounding Japan, the GoJ will respond to pressing challenges of the present, as well as attach priority to the items listed below. At the same time, the GoJ will make it a principle to efficiently carry out the build-up of defense capabilities mainly by replacing out-of-date equipment and refurbishing aging equipment. Furthermore, the GoJ will work to streamline the defense forces as much as possible, while working to fill in the gaps in the frontline forces and enhance their readiness and strength.

(1) Securing deterrence and readiness as well as ability to respond effectively to various situations

The GoJ will maintain the equipment necessary to respond to various situations, such as ballistic missile attacks, attacks by special operation forces, aggression on Japan's offshore islands, continuation of around-the-clock patrol and surveillance and information gathering, and large-scale and/or special-type (nuclear, biological, chemical, and radiological) disasters, and thereby ensure its ability to respond to these situations.

(2) Further stabilization of the regional security environment

To support the further stabilization of the security environment in the Asia-Pacific region, the GoJ will promote more humanitarian assistance, disaster relief, and other types of international cooperation, as well as bilateral and multilateral dialogues.

(3) Promoting efforts to improve the global security environment

To be able to take initiative and have an active role in the coordinated efforts of the international community for advancing the nonproliferation of weapons of mass destruction and ballistic missiles, counter-terrorism and piracy measures, and United Nations (UN) peacekeeping operations, the GoJ will promote participation in various trainings and procure equipment useful in international peace cooperation activities.

(4) Efforts for the streamlining and rationalization of the defense build-up:

To effectively and efficiently build up defense capabilities under tough financial circumstances, the GoJ will make clear the order of priority of its programs, while promoting the effective and efficient use of human resources and the efficient procurement of equipment.

2. Response to Ballistic Missile Attacks

In FY2010, under the posture specified in the NDPG, the GoJ will strive to advance the operational capability of the deployed PAC-3 fire units. As for the PAC-2 fire units, the GoJ will undertake a version upgrade of their system.

3. Additional Considerations

To respond to the new trends in the security environment surrounding Japan, the following will be given particular consideration.

(1) Reducing procurement costs and strengthening production and technological bases

・To enhance efforts to reduce procurement costs by promoting the use of the life-cycle cost management of equipment, as well as other efforts to further streamline the acquisition of equipment.

・To explore the way to strengthen Japan's defense production and technological bases from a mid- to long-term perspective.

(2) Efficient and effective use of personnel

・To outsource work when possible, secure and develop high quality personnel and enhance their education.

・To explore the way to improve the rank and age composition of the Self-Defense Forces (SDF) personnel so that they can perform the diversifying duties effectively as more people have fewer children and attain higher levels of education.

(3) Streamlining and rationalization of SDF

・To examine the streamlining and rationalization of Ground, Maritime, and Air SDF, with the goal of putting into place a system in which the SDF as a whole are able to show their skills effectively and efficiently while bearing in mind the increasingly closer ties with the local residents and communities.

(4) Strengthening Joint Operations

・To strengthen joint operations of the Ground, Maritime, and Air SDF, for carrying out SDF's missions more effectively by examining recent operations since the introduction of the joint operational structure.

4. Cost Management

Mindful of the importance of defense—one of the most fundamental policies of a nation—and in light of the increasingly severe fiscal circumstances, the GoJ will hold down as much as possible the expenditure amount as well as the amount that must be newly allocated for previous fiscal years' expenditures.

I. Ensuring the Defense and Security of Japan through Deterrence and Effective Response to Contingencies

Japan will steadily build up defense capabilities to be able to cope with various types of contingencies effectively.

I-1 Response to ballistic missile attacks

Learning from the experience of SDF operation on the occasion of the missile launch by DPRK, the GoJ will endeavor to further enhance and strengthen the Ballistic Missile Defense (BMD) system.

Strengthening BMD capability

[53.8 billion yen]

- Continue to acquire PAC-3 missiles
- Procure trailers, standby tents etc. for quick and flexible fielding and longstanding operation.

Vehicles of anti-aircraft forces en route to their deployment area

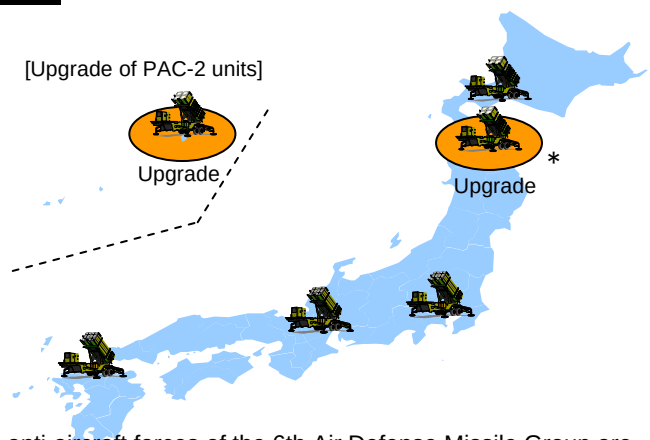
- Japan-US joint development of components for Aegis Weapon system with BMD functionality [New]

Conduct joint development of components for Aegis Weapon System with BMD functionality, such as improving situation awareness and system availability by leveraging the outcomes of Japan-US joint research.

Maintaining the functions of PAC-2 fire units

[61.9 billion yen]

- Version upgrade of the system of six PAC-2 Fire Units in Hokkaido, Tohoku and Okinawa, which are not equipped with BMD capability, in order to cope with drying up of spare parts and maintain the current functions.



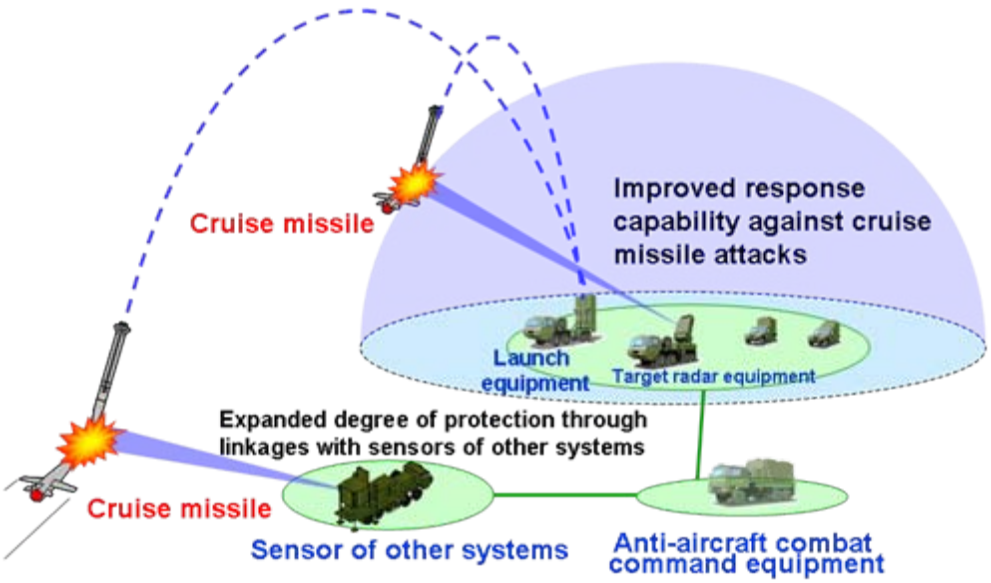
* Note: The anti-aircraft forces of the 6th Air Defense Missile Group are located in Hokkaido (Yakumo) and Aomori Prefecture (Shariki), respectively.

I-2 Response to cruise missile attacks

To be able to respond to future threats, such as increased sophistication and proliferation of cruise missiles and high speed air-to-surface missiles, as well as appropriately carry through the aerial defense of vital facilities, Japan will conduct research and development (R&D) of advanced equipments.

■ Development of type-03 medium-range surface-to-air missiles (improved) [New] [6.5 billion yen]

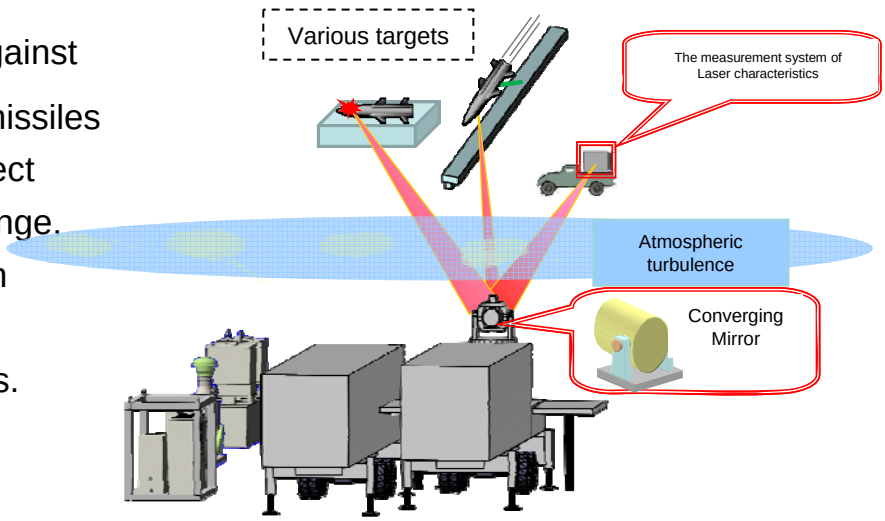
・ Japan will utilize the nation's advanced sensor network technology to expand the degree of protection against cruise missiles and improve Japan's response capability. In addition, Japan will develop the type-03 medium-range surface-to-air missiles (improved), while making every effort to reduce the acquisition cost.



Development of type-03 medium-range surface-to-air missiles (improved)

■ Research on high-power laser weapons [New] [1.8 billion yen]

・ To be able to defend against future threats, such as missiles which are difficult to detect until they are at close range. Japan will begin research on high-power laser system components.



Research on high-power laser weapons

I-3 Response to attacks by special operations forces

[91.2 billion yen]

To strengthen Japan's capability to respond effectively to terrorist attacks as well as attacks by special operations forces, Japan will work to reinforce various equipment and trainings.

■ To enhance Japan's capacity to swiftly and strategically mobilize its defense forces using the mechanisms available to the Ground, Maritime, and Air SDF, with a view to responding effectively to various situations, Japan will implement joint mobilization exercises.

■ Patrol/surveillance and information gathering
- Training in coastal monitoring by regional movement observation units
- Patrol and surveillance training

■ Search for guerrilla and special operations forces, protect vital facilities
- Supply various types of vehicles, helicopters, and radios

■ Capture and destroy invading guerrilla and special operations forces
- Provide each personnel with various equipment
- Urban warfare training

Urban warfare training

■ Strengthen partnerships with police
- Joint training with police engaged in public security operations

■ Supply new tanks [New]
- In response to the massive deterioration of existing tanks due to the aging of the tanks, the GoJ will efficiently procure, upon careful inspection, the required number of new tanks which are smaller in size and weight, have improved mobility, and better network combat capability.
- The new tanks will be used for anti-armor combat and mobile strikes. In the case of an attack by special operations forces, the tanks will be used for the patrol and protection of vital defense facilities and the destruction of enemy forces.

New tank

■ Reorganization of the First Division [New]
- To be prepared and be able to respond effectively to a range of situations, including attacks by guerrilla and special operations forces, the First Division will be reorganized into the Modernized Readiness Division (politics and economic-centered type), which attaches priority to readiness and mobility.

I-4 Response to various situations in the offshore islands

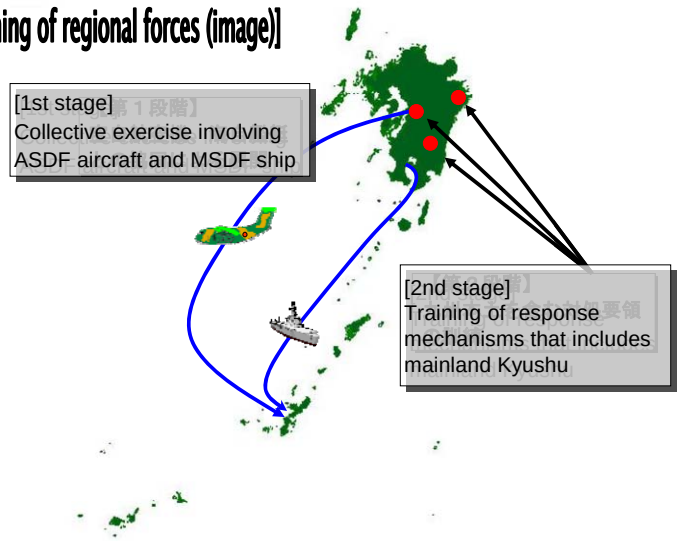
To be able to respond flexibly to various types of situations in Japan's offshore islands, Japan will promote various trainings and endeavor to enhance various equipment.

■ Key training exercises in response to an invasion of remote islands

- Field training exercises for the Ground Self-Defense Force (GSDF) regional units (oriented for remote islands) [New]

  Through effective training exercises, regional units will practice the mechanisms for responding to an invasion of offshore islands and inland areas in coordination with the Maritime and Air SDF.

[Effective training of regional forces (image)]




Mobilization at sea (image)


Training in the US

- Effective training of the GSDF with the United States Navy in the US

■ Supply multi-purpose helicopters (UH-60JA)

- To strengthen the defense system of the Nansei Islands, the air mobile operations capacity of the western SDF units will be strengthened.

■ Upgrade rescue helicopter (UH-60J)

- To respond effectively to rescue needs under a wide range of circumstances, new functions will be added to the rescue helicopter, including in-flight refueling capability.

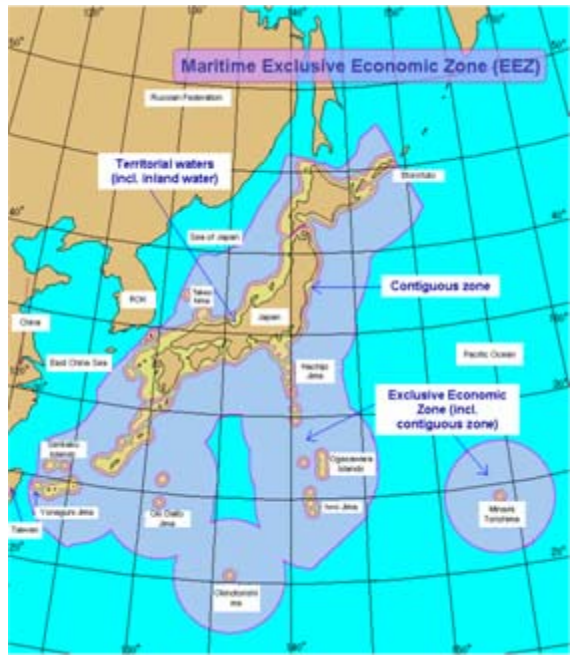

Multi-purpose helicopter (UH-60JA)

I-5 Expansion of present patrolling and surveillance activities

Japan will endeavor to enhance the patrolling and surveillance system to ensure the superior collection of information through information gathering and patrolling and surveillance activities.

■ Reinforce patrolling & surveillance capacity

- Build submarine (SS)
- Acquire fixed wing patrol aircraft (P-1)
- Acquire rotating wing patrol helicopter (SH-60K)
- Improve radar function of early warning and control aircraft (E-767)
- Improve early warning aircraft (E-2C)



The maritime exclusive economic zone (EEZ) has an area of about 4.47 million km2 and is the sixth largest in the world.

P-1

■ Studies of unmanned aircraft

- Carry out overseas study which will be useful for introducing long endurance unmanned aircraft and considering the establishment of its operational system [New]
- Experimental study on medium range unmanned spy aircraft [New]

Unmanned aircraft for use in experimental study

I-6 Response to NBC weapon attacks and large-scale and unconventional disasters

[65.8 billion yen]

To ensure the safety of the people, Japan will promote the maintenance of necessary equipment and supplies to respond to nuclear, biological, and chemical (NBC) weapon attacks, large-scale and unconventional disasters, and large-scale infectious diseases.

Response to NBC weapon attacks

■ Enhance the capabilities necessary for response
- Prevention: Smallpox vaccine
- Detection, identification: Biological agent alarm
  Portable biological agent detector [New]
- Protection: Personnel protection equipment
- Diagnosis, treatment: Remote medical support system
- Decontamination: Decontamination vehicles, decontamination equipment, portable decontamination supplies
- Training: NBC protection training

NBC protection training

■ Maintenance of NBC reconnaissance vehicle [New]
- The vehicle succeeds the chemical protection vehicle and biological reconnaissance vehicle, and will improve Japan's capability to reconnoiter (detection, Identification) a wide area of toxic chemical agent, biological agent, and radiation-contaminated areas.
- Equip vehicle with supplies appropriate for responding to NBC attacks unconventional disasters
- By equipping the first vehicle with the NBC detection and identification function, operations will be made efficient.

* N: Radiation
B: Biological agent
C: Chemical agent

NBC reconnaissance vehicle

Improvement of disaster relief capability

■ Strengthen emergency response capability to respond quickly at time of disaster
- Improve performance of helicopter video transmission equipment to swiftly gather information about damages, etc.
- Maintain cargo helicopter which can also be used to transport disaster victims and supplies
- Conduct disaster relief drills (SDF joint disaster prevention exercises, etc.)

Response to earthquake

Response to H1N1 Flu

■ Medical care support
- Provide clothing to medical personnel which will protect them from infection

■ Maintain SDF functioning
- Provide anti-flu drugs

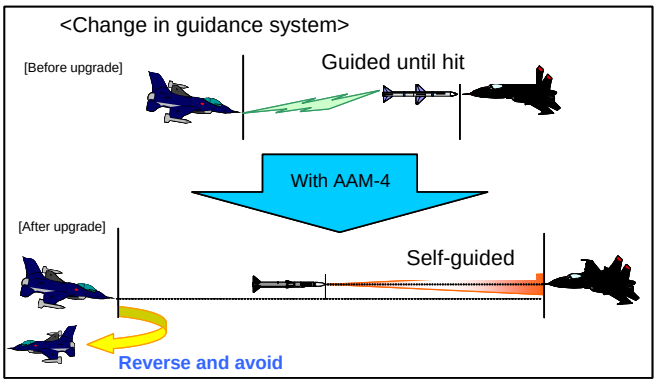
I-7 Achievement of air superiority

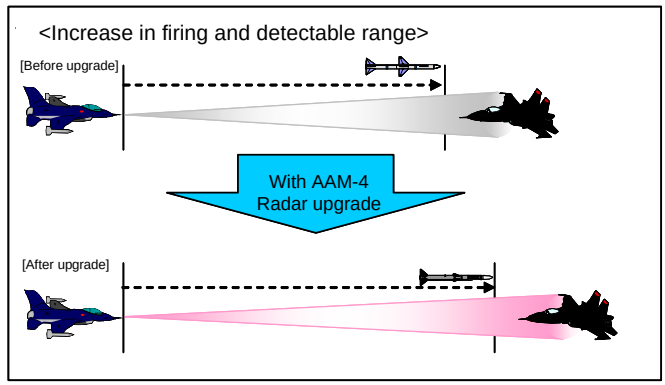
In order to adapt to advancements in military air technology and the trends in threats and appropriately carry out the air defense mission of Japan, Japan will implement upgrades of fighter aircraft and cutting-edge research responding to future threats.

Improving the capability of existing fighter aircraft to maintain effectiveness

■ Improving F-2 air-to-air combat capability [New] [1.3 billion yen]

- Equip F-2 aircraft with self-guided air-to-air missile (AAM-4) to improve air-to-air combat capability
- Upgrade radar to increase detectable range





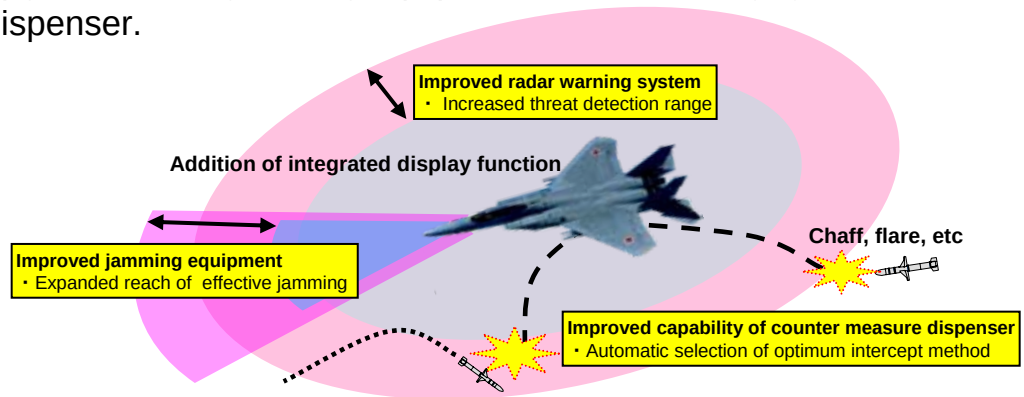
○Self-guided missile has the capability to emit radio waves and detect and track threat aircraft.

■ Modernize F-15 [3.6 billion yen]

- In response to the rapid modernization of the air warfare capability of neighboring countries, Japan will modernize its F-15s to strengthen the country's air defense capability.

■ Improve the self-defense capability of F-15 [New] [6.4 billion yen]

- In response to advancements in communications and electronics technology, F-15s will be equipped with an integrated electronic warfare system with upgraded radar jamming equipment, radar warning system, and counter measure dispenser.

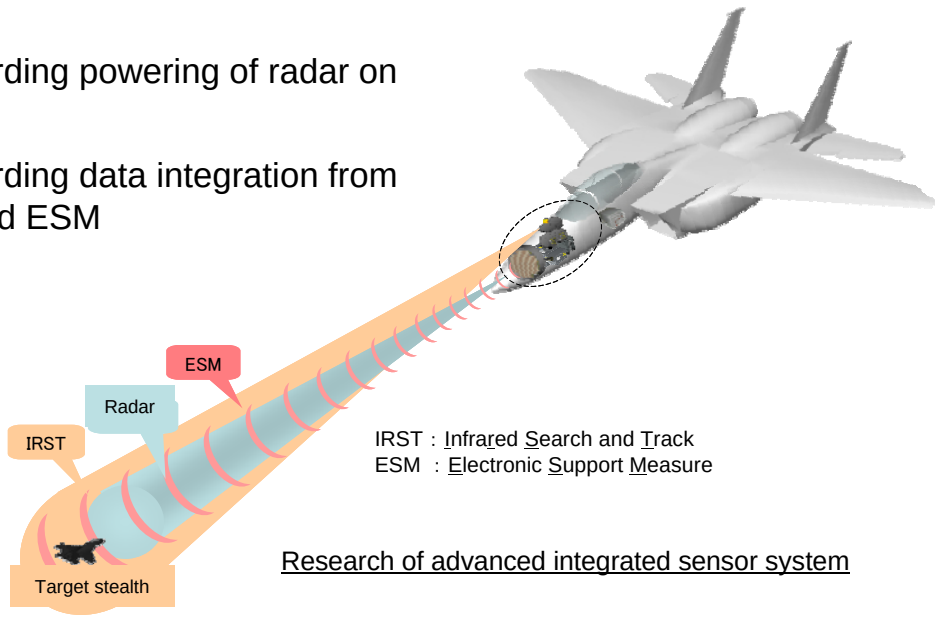


[Effect of equipping integrated electronic warfare system] (Image)

Research of anti-stealth aircraft technology

■ Research of advanced integrated sensor system [New] [500 million yen]

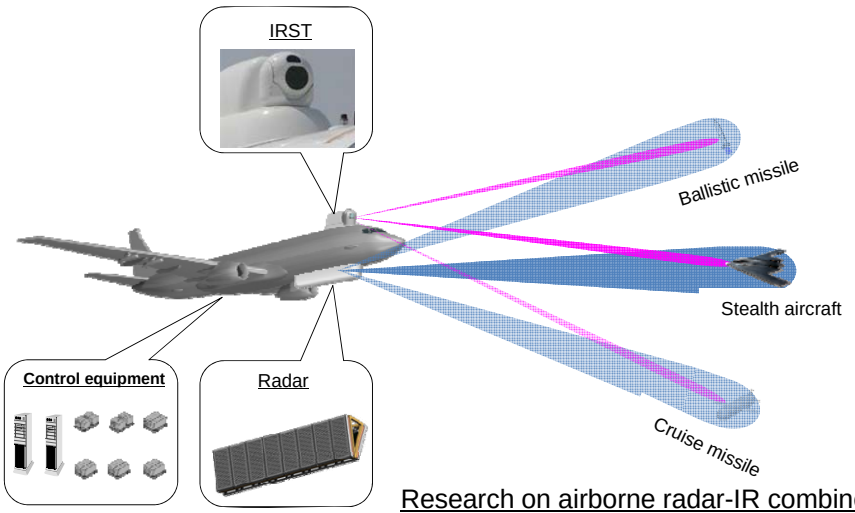
- Research regarding powering of radar on combat aircraft
- Research regarding data integration from infrared sensor and ESM



IRST : Infrared Search and Track
ESM : Electronic Support Measure

Research of advanced integrated sensor system

■ Research on airborne radar-IR combined sensor system [New] [1.8 billion yen]



- Research on airborne radar-IR combined sensor system for long range surveillance of stealth aircraft, cruise missile, and ballistic missile.

Research on airborne radar-IR combined sensor system for long range surveillance

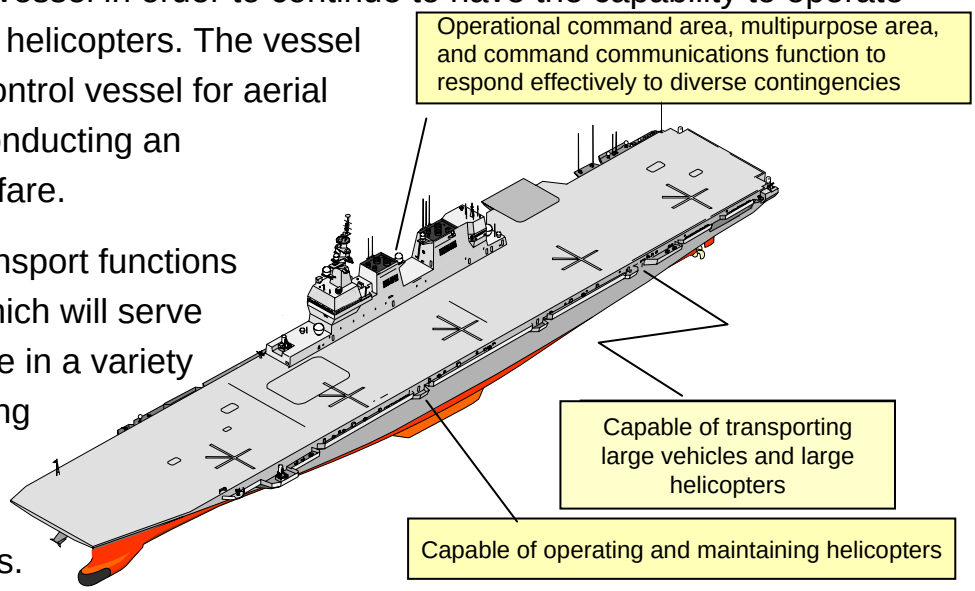
Item	Research of advanced integrated sensor system	Research on airborne radar-IR combined sensor system
Mission	Intercept enemy stealth aircraft (fire control)	Long range surveillance of stealth target, etc.
Carrier aircraft	Fighter	Large aircraft

I-8 Ensuring the safety of maritime transport

To ensure the safety of maritime transport, Japan will enhance its anti-submarine warfare capacity.

■ Build helicopter destroyer (DDH) [New] [113.9 billion yen]

- In response to the removal of existing helicopter destroyers, Japan will commission a new vessel in order to continue to have the capability to operate and maintain patrol helicopters. The vessel with serve as the control vessel for aerial operations when conducting an anti-submarine warfare.
- Enhance the transport functions of the destroyer, which will serve as the offshore base in a variety of missions, including international peace operations and disaster relief efforts.



Image

Standard displacement: 19,500 tons

■ Mobilize anti-piracy protection and warning equipment [New]

- Mobilize equipment needed to conduct anti-piracy operations

Directional amplifier

■ Strengthen partnership with Japan Coast Guard

- Conduct joint exercises with the Japan Coast Guard for responding to unidentified vessels

II. Further Stabilization of Regional Environment and Order

Japan will promote active cooperation, exchanges, and dialogue with the neighboring region, including the East China Sea and the Western Pacific, to contribute to the stabilization of the region's security environment and order.

Active cooperation, exchanges, and dialogue with the region

■ Host the Meeting of Senior Defense Officials on Common Security Challenges in the Asia-Pacific Region

- Inviting senior officials (Vice-Minister/Permanent Secretary-level) from the defense authorities of ASEAN countries, Japan hosts the meeting with a view to exchanging views candidly on the security challenges in the region and establishing closer person-to-person relationships.

■ Japan-Russia search and rescue joint exercise

- The joint exercise is carried out to improve search and rescue related skills, as well as to strengthen the trust and mutual understanding between the SDF and the Russian navy.

- Most recent exercise: October 3, 2008
- Where: Northern area of Wakasa Bay
- Participating units:
  Destroyer "Shimakaze"
  Minesweeper "Nagashima"
  P-3Cx1
  SH-60Jx1

■ Host the Tokyo Defense Forum

- Senior officials (director and general level) in charge of national defense policies and defense exchanges in the Asia-Pacific region countries meet and exchange views on national defense policies to enhance mutual understanding and transparency among them.

■ Participate in the ASEAN Regional Forum (ARF) field exercise on disaster relief

- Through active involvement in the strengthening of cooperation and partnership among member countries, Japan contributes to improve the response capability of the region, e.g., by establishing a common disaster relief response mechanism.
- GSDF, MSDF, and ASDF are expected to participate in the exercise scheduled to be held in FY2010 in Indonesia.

(In FY2009, medical, disease control, and water supply [water purification] personnel, US-2, C-130, etc. participated.)

FY2009 ARF Voluntary Demonstration of Response on Disaster Relief

■ Bilateral cooperation and defense exchanges

- Japan-China defense exchanges

  A wide range of discussion will be held between Japan and China on each other's defense policy to deepen mutual understanding and strengthen their relationship of trust.
- Other bilateral cooperation and defense exchanges: Japan-ROK, Japan-Australia, Japan-Italy, etc.

■ Participate in Pacific Partnership 2010 [New]

- Japan will participate in Pacific Partnership 2010 hosted by the US Pacific Forces to improve skills relevant to international operations such as international emergency rescue operations and PKOs , as well as to strengthen the Japan-US alliance and enhance mutual understanding and the relationship of cooperation among the relevant countries.

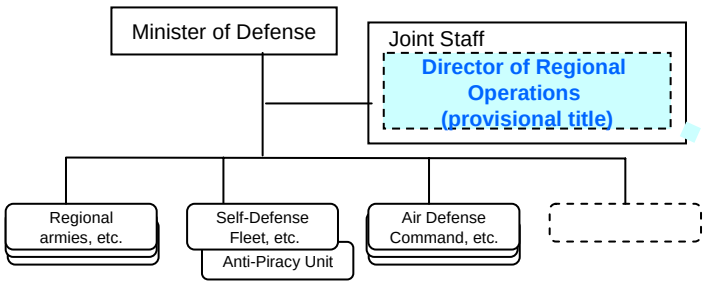
III. Improving the Global Security Environment

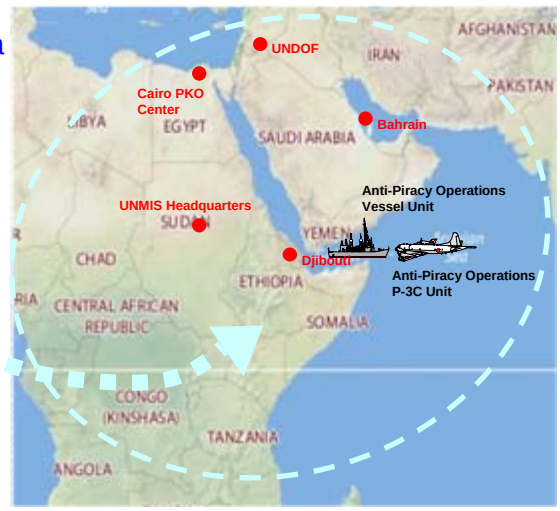
To improve the global security environment, Japan will proactively participate in the coordinated efforts of the international community, including counter-terrorism measures, participation in UN peacekeeping operations, and response to the issue of the proliferation of weapons of mass destruction, as well as endeavor to expand defense exchanges and cooperation globally.

III-1 Strengthening SDF's basis for international activities

Establish information gathering system in the field

■ Establish a system in the Middle East and Africa which would allow arrangements for SDF field operations to be made, as well as consultations with relevant national armed forces and information gathering to be carried out in the field.





Mobilization of equipment relevant to international operations

[9.4 billion yen]

■ Improve mobile medical system

■ Research firing position and detection equipment [New]

■ Create specifications for vehicles used in international operations

■ Upgrade of CH-47 JA (Engine, pylon)

■ Improve operation of transport vessel for responding to international emergency relief operations

■ Mobilize personal defense equipment for transport aircraft

Light-armored vehicle (for use in international operations)

CH-47 JA

III-2 Initiatives for International Community Efforts

■ Participate in PSI interdiction exercises

- SDF and the defense forces of relevant countries will strive to maintain and improve their coordinated response capability.
- SDF are expected to participate in the following exercises:
  - Maritime interdiction exercise hosted by Australia
    (Waters off the coast of Australia, Second Quarter of FY2010)
  - Maritime interdiction exercise hosted by the US
    (Indian Ocean, Third Quarter of FY2010)



■ Dispatch lecturers to PKO centers in African countries

- Dispatch SDF lecturers to PKO centers to assist African personnel involved in peacekeeping operations


■ Enhance the education system with regards to international cooperation activities

■ Participate in multilateral exercises (Cobra Gold)


■ Conduct exercises for international peace operations

IV. Effective and Efficient Use of Human Resources

To be able to respond effectively to various contingencies, Japan will secure the necessary personnel as well as promote the creation of an environment where personnel can concentrate on their duties.

IV-1 Improve readiness capability of human resources

To be ready to respond to any type of situation whose occurrence is difficult to predict, such as terrorism and large-scale disasters, as well as to enhance partnerships with regional communities, Japan will secure the required number of SDF personnel, fill in any gaps, and carry out research for strengthening the readiness capability of personnel.

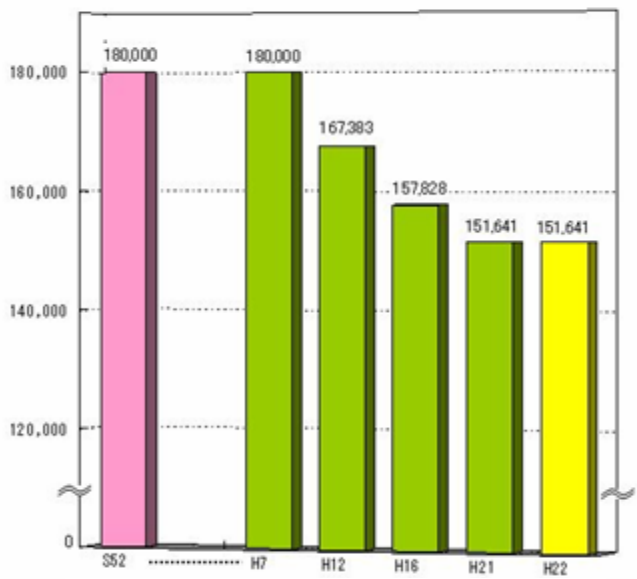
Meet SDF personnel quota

■ An appropriate number of SDF personnel will be secured to be able to effectively respond to various contingencies, such as attacks by special operations forces and large-scale disasters, while continuously carrying out international peace operations.

[GSDF quota]

	(end of 2009)		(end of 2010)
・Group quota			
	160,108 people	⇨	160,120 people
・SDF regular personnel			
	151,641 people	⇨	151,641 people
・SDF ready reserve personnel			
	8,467 people	⇨	8,479 people

Trends in SDF regular personnel



Note: 1 The graph represents the number of GSDF regular personnel.

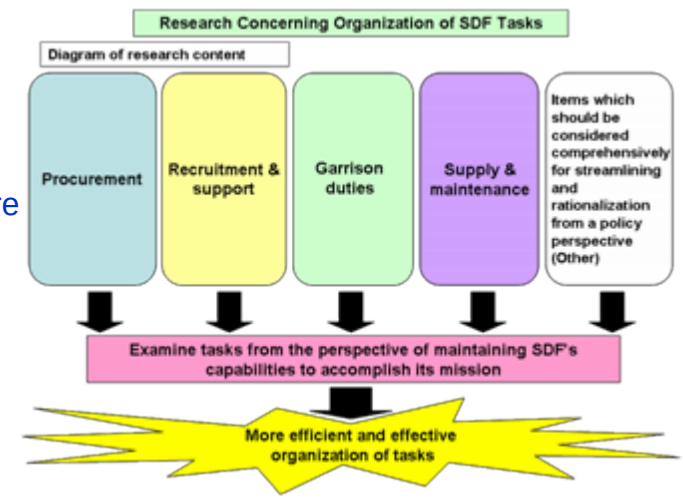
Early removal of helicopter destroyers

■ Regarding the helicopter destroyers which are approaching their removal period but will not be replaced or upgraded (4 vessels), Japan will remove the destroyers quickly and transfer their crew to other vessels. In doing so, Japan will mitigate the crew shortage of destroyer units.

Research Concerning Organization of SDF personnel

■ Research will be carried out to study the ways in which SDF tasks can be made more efficient and effective.

■ Research will be carried out on the organizational structure of SDF in order to secure qualified human resources continuously and steadily.



IV-2 Establish an environment where personnel can concentrate on their duties

■ Enhance mental healthcare

・ Psychological care for SDF personnel will be enhanced through the provision of a range of consultation services; Outside educators will be brought in to develop the skills of in-house counselors, Outside counselors will also be invited, etc.

■ Development of daycare centers

・ To meet the child care needs of SDF personnel, the establishment of daycare centers will be promoted, which suit the irregular working conditions of SDF personnel such as night shifts and disaster relief dispatches.

■ Support families of SDF personnel in preparation for dispatches to international peace operations, etc.

・ By encouraging everyday communication between SDF personnel and their families as well as among the families create an environment in which the personnel will be able to take on their international peace operation duties without worry.

V. Space Programs and Initiatives for Responding to Cyber Attacks

To promote space related programs, improving C4ISR* capability.

V-1 Space Programs

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

[51.2 billion yen]

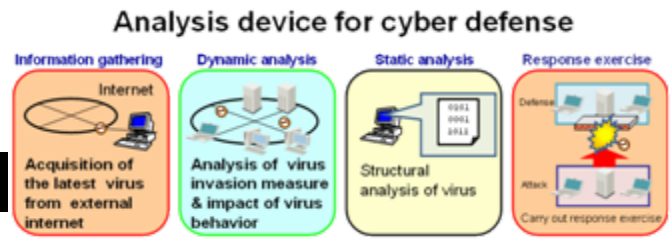
- Research for enhancement of C4ISR capability
  - Research on dual-wavelength infrared sensor technology
  - Research on Space Situational Awareness, air launch system and Micro/Nano SAT [New]
  - Research on joint satellite communications network. [New]
- Use of satellite communication
  - Realize high-capacity & high-speed satellite communications.
- Expanded use of commercial imagery satellite
  - Increase frequency of acquiring images.
- Use of meteorological satellite information

Commercial imagery satellite (World View-II)

Commercial Communications satellite (Superbird)

V-2 Improvement of C4ISR capability

Enhance capability to respond to cyber attacks



- Assign a Coordinator for Cyber Planning (provisional name) to the Joint Staff office [New]
- Develop analysis devise for cyber defense [New]
  - Function that gathers information on latest cyber attacks in the private sector (Information gathering function)
  - Function that analyzes under conditions close to the actual cyber environment (Dynamic analysis function)
  - Function for carrying out cyber drills to improve the capability to respond to cyber attacks (Response exercise function)
- Strengthen analysis function against cyber attacks
  - Strengthen the functions of the Defense Intelligence Headquarters which specializes in gathering and analyzing information about cyber attack trends in other countries over the long-term

Enhance information communication platform

- Japan Aerospace Defense Ground Environment (JADGE)
  - Upgrade JADGE software
  - Acquire connecting device for TDS terminal
- Acquire TDS terminal

* TDS: Tactical data Distribution System

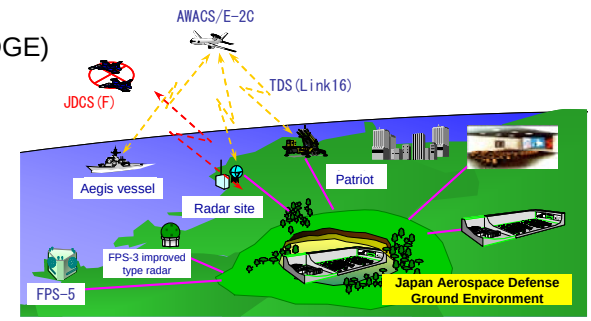


Diagram of Japan Aerospace Defense Ground Environment (JADGE)

Various measures will be promoted, including the further streamlining and rationalization of equipment acquisition on the whole.

Bulk procurement of equipment, etc.

Note: Numbers are current estimates and are subject to change according to future procurement circumstances.

Regarding the equipment procured every fiscal year, the government saved approximately 2.2 billion yen through the bulk procurement of the major equipment which was expected to yield savings when it was procured at once.

OH-1

■ Observation helicopter (OH-1)

- Bulk procurement of four helicopters, or two fiscal years' worth; early completion of acquisition

■ Addition of JDAM function to F-2

- Bulk procurement of upgrade parts for 35 fighters, or three fiscal years' worth; early completion of acquisition

Streamlining initiatives

■ Development of type-03 medium-range surface-to-air missiles (improved)

- Reduce acquisition price by designing components in view of containing life cycle costs

Initiatives for reform of total labor cost

■ Various measures for the reform of total labor cost (e.g., private sector outsourcing) will continue to be implemented to efficiently carry out SDF duties (SDF: ∆3,506 personnel).

Thorough enforcement of rules and regulations related to preservation of classified information

To enhance investigation capabilities of breach of confidence, etc., the special crimes investigation capabilities of the Military Police will be consolidated (breach of confidence, bribery, etc. and technological crime responses).

■ Newly establish Central Military Police (provisional name) within the GSDF Military Police [New]

Consolidate GSDF, MSDF, ASDF special crimes investigation functions

Unit composed of GSDF, MSDF, and ASDF personnel (dispatch personnel from MSDF and ASDF military police)

Ensure transparency and competitiveness of defense procurement

■ Enhance capability of company research

Establish the Corporate Research Division (provisional name) within the Equipment Procurement and Construction Office as a division specializing in the promotion of cost reduction and product quality improvement [New]

Initiatives in view of Guidelines for Implementing Drastic Reform of the Maritime Self-Defense Force

■ Enhancement of education capacity, etc.

Establishment of Advanced Electronic Classroom (AEC) system , etc.

Promote measures to prevent the reoccurrence of accidents

■ Measures to prevent the reoccurrence of the fire on destroyer Shirane and collision involving destroyer Atago will be promoted.

Reflect results of the screening process

■ In light of the results of the Government Revitalization Unit's screening process, the following cuts will be made from the budget request:

- Increase number of SDF personnel　Budget allocation deferred (▲7.2 billion yen)
- Amount payable for information system, etc.　Approx. 20% reduction (▲5.2 billion yen)
- Construction of International Peace Cooperation Center　Budget allocation deferred (▲2.5 billion yen), etc.

Total▲16.8 billion yen　(Total number is expenditure-based.)

In addition, the following studies will be carried out to contribute to the future development of efficient and effective defense capabilities.

- Research concerning organization of SDF personnel (second mention) [New]
- Research on prices of foreign equipment (firearm-related) and their supply continuity if Japan employs such equipment [New]

VII. Strengthening the System of Education and Research

To implement measures to strengthen system of education and research of National Institute for Defense Studies, National Defense Academy, and National Defense Medical College.

The National Institute for Defense Studies

- Enhance research on China and other countries
  - Strengthen research capabilities
  - Initiate research exchanges with China Academy of Military Science [New]
  - Publish annual report on China [New]
  - Invite researchers from Vietnamese Institute for Defense International Relations [New]

National Defense Academy

- Strengthen system of science and engineering research
  - Increase the number of professors of outer space systems [New]
- Improve qualification and skills of students
  - Short-term study at China Military Academy [New]

National Defense Medical College

- Maintain and enhance skills of medical officers by making contributions to community healthcare
  - Maintain medical equipment of the National Defense Medical College Hospital and the Self-Defense Force Hospital open to the public

VIII. Initiatives for the Realignment of USFJ

To make steady progress in the Realignment of USFJ, Japan will take relevant actions as appropriate, including the relocation of the US Marine Corps from Okinawa to Guam.

Measures for reducing burden on local communities [127.2 billion yen]

Guam

■ Relocation of US Marine Corps from Okinawa to Guam (47.9 billion yen)

- Implementation of "*Mamizu*" projects , etc.

Note: "*Mamizu*" projects are funded by Japanese direct cash contributions for the development of facilities, including the headquarters buildings.

■ Realignment-related measures in Japan (79.3 billion yen)

- Relocation of Futenma Air Station (1.4 billion yen)

Futenma Air Station

Notes:
To swiftly enter into necessary contract procedures upon making a concrete decision on the relocation site of Futenma Air Station, reserve fund (out of 350 billion yen) and purpose-undecided multi-year appropriation fund (out of maximum of 1 trillion yen) will be used, bearing in mind the required amount under the existing plan (government bond expense142.3 billion yen, obligatory outlay expense 2.6 billion yen).

- Return of land south of Kadena Air Base (0.2 billion yen)
- Return of portions of land , etc. at Sagami General Depot (5.1 billion yen)
- Relocation of carrier-based aircraft from Atsugi Air Base to Iwakuni Air Base (61.3 billion yen)
- Relocation of US aviation training from Kadena Air Base, etc. to mainland Japan (2.1 billion yen)
- Community development measures (realignment subsidy, etc.) (9.3 billion yen)

* The aforementioned relocation of the US Marine Corps from Okinawa to Guam (47.9 billion yen) and the realignment-related measures in Japan (79.3 billion yen) totaling 127.2 billion yen includes 15.8 billion yen in improving facilities to reduce the burden on local community.

Measures for maintaining deterrent power [12.8 billion yen]

- Relocation of the JGSDF Central Readiness Force to Camp Zama (7.2 billion yen)
- Relocation of the JASDF Air Defense Command to Yokota Air Base (5.6 billion yen)

SACO-related cost [11.2 billion yen]

■ Regarding items which were not subject to change under the Japan-US Security Consultative Committee (2+2) Joint Statement, Japan will continue to steadily implement the measures included in the Special Action Committee on Okinawa (SACO) Final Report.

IX. Promotion of Base Measures

To achieve harmony between defense facilities and the neighboring communities, the government will steadily implement measures to alleviate the burden on communities surrounding bases , as well as measures to facilitate the smooth and effective stationing of US forces in Japan.

[434.6 billion yen]

Expenses related to measures for communities surrounding bases [117.6 billion yen]

Including
sound-proof work in residential areas: 37 billion yen
Improvement of living conditions of neighboring communities: 80.6 billion yen

■ Expenses for measures including the prevention and reduction of negative impact resulting from activities by SDF, etc. activities' the establishment and operation of defense facilities

- Implementation of sound-proof work in residential areas located near air bases, etc .
- Implementation of projects to improve living conditions of communities by strong request from municipalities affected by bases (river and road restoration, sound proof work in schools).
- Increase of grants aimed at improving areas surrounding designated defense facilities

River restoration

Cost sharing for the stationing of US forces in Japan [186.9 billion yen]

Including
Special Measures Agreement: 139.5 billion yen
Facilities Improvement : 19.5 billion yen

■ Expenses for the Special Measures Agreement to ensure the smooth and effective stationing of US forces in Japan.

- Sharing cost of wage of USFJ employees and utilities
- Facilities improvement, etc.

Barracks

Rental cost of facilities, compensation expenses, etc . [130.1 billion yen]

■ Rental cost of defense facility lands, fishery compensation for damage by training exercise on water, etc .

[Major equipment, etc.]

Procurement type			FY2009 Number procured	FY2010 Number procured	FY2010 Amount (100 million yen)
Aircraft	GSDF	Observation helicopter (OH-1)	2	4	78
		Multi-purpose helicopter (UH-60JA)	1	3	95
		Transport helicopter (CH-47JA)	4	1	68
		Next helicopter trainer	1	1	3
	MSDF	Fixed-wing patrol aircraft (P-1)	—	1	211
		Patrol helicopter (SH-60K)	2	3	179
		Rescue amphibian (US-2)	1	—	—
		Primary trainer (T-5)	5	4	10
		Helicopter trainer (TH-135)	3	3	17
	ASDF	Modernization of fighter (F-15)	(22) (60)	(2) (—)	36
		Improvement of self-defense capability of fighter (F-15)	—	(2)	64
		Improvement of air-to-air combat capability of fighter (F-2)	—	(1) (4)	13
		Addition of JDAM function to fighter (F-2)	— (12)	— (35)	47
		Transport helicopter (CH-47J)	—	1	41
		Improvement of radar function of early warning and control aircraft (E-767)	(1)	(3)	111
		Improvement of early warning aircraft (E-2C)	(1)	(1)	8
Vessel	MSDF	Destroyer (DD)	2	—	—
		Destroyer (DDH)	—	1	1,139
		Submarine (SS)	—	1	528
		Minesweeper (MSC)	1	—	—
		Cable repairing/laying ship (ARC)	1	—	—
		Exchange of short-range SAM system on Murasame-class destroyer	(1)	(1)	1

Procurement type			FY2009 Number procured	FY2010 Number procured	FY2010 Amount (100 million yen)
Missile	GSDF	Type-03 medium-range surface-to-air missile	2 company	1 company	195
		Type-91 portable surface-to-air missile (B)	19 sets	22 sets	10
		Type-96 multi-purpose missile system	1 set	1 set	21
		Medium range multi-purpose missile	10 sets	13 sets	52
		Type-01 light anti-tank missile	43 sets	39 sets	29
	ASDF	Surface-to-air missile (Patriot [excluding PAC-3])	¥10.5 billion	—	82
		Upgrading of patriot system	—	(6 sets)	619
Firearm, vehicle, etc.	GSDF	9mm gun	—	1,004	2
		Type-89 rifle	—	10,012	28
		Anti-personnel sniper rifle	159	105	2
		5.56mm machine gun MINIMI	405	195	4
		12.7mm heavy machine gun	80	123	7
		81mm mortar L16	10	5	1
		120mm mortar RT	4	4	2
		Type-99 155mm self-propelled new howitzer	8	9	79
		New tank	—	13	124
		Light armored mobile vehicle	180	93	28
		Type-96 wheeled armored vehicle	16	17	21
		Type-87 reconnaissance and patrol vehicle	1	3	8
		NBC reconnaissance vehicle	—	3	19
		Vehicle, communications equipment, facility equipment, etc.	¥77.9 billion	—	765
	ASDF	Light armored mobile vehicles	23	26	8
BMD	ASDF	Upgrading of patriot system	1 set for regular repair	—	—
	TRDI	Japan-US joint development of components for Aegis Weapon system with BMD functionality	—	—	16

Notes:
1. Number procured: The number that is newly contracted each fiscal year. (The amount of time for acquiring the item varies by equipment; between two to five years.)
2. The parentheses () next to modernization of F-15, improvement of self-defense capability of F-15, improvement of F-2 air-to-air combat capability of F-2, addition of JDAM function to F-2, improvement of radar function of early warning and control aircraft (E-767), improvement of early warning aircraft (E-2C), exchange of short-range SAM system on Murasame-class destroyer, and upgrading of patriot system represent the number relating to the or upgrading of existing equipment. As regards the number procured for the modernization of F-15, improvement of F-2 air-to-air combat capability, and addition of JDAM function to F-2, the upper figure represents the number of aircrafts modified, while the lower figure represents the number of equipments with improved capabilities.
3. The price for the surface-to-air missile (Patriot) represents the expenses needed for the maintenance/deployment of missiles for firing.
4. Regular repair: Spare equipment for carrying out repairs at regular intervals.
5. Numbers in the table represent expenses excluding initial costs.

2. Major Research and Development

	Item	Overview	FY2010 Amount (¥1 billion yen)
New	Development of type-03 medium range surface-to-air missile (improved)	Development of type-03 medium range surface-to-air missile (improved) with advanced capability to respond to cruise missile and air-to-surface missile attacks, expanded area of protection, and reduced acquisition cost.	6.5
	Development of new electronic warfare system	Development of new electronic warfare system to gather , analyze and interfere hostile radio waves in order to obtain information superiority.	0.8
	Development of sonar system for next-generation submarines	Development of sonar system for next-generation submarines with improved detection and information processing capability to respond to stealthy targets in both shallow and bluewater areas.	4.9
	Development of components for Aegis Weapon system with BMD functionality	Conduct Japan-US joint development of new functions for Aegis weapon system with BMD functionality, such as improving situational awareness and system availability by leveraging the outcomes of the cooperative research.	1.6
	Development of new air-to-ship missile (XASM-3)	Development of new air-to-ship missile (XASM-3) to be able to respond more effectively to enemy combat vessels with high performance anti-air firearms.	2.2
	Research of advanced integrated sensor system	Research on improved fire control radar for fighter aircraft, which has combined radar, ESM, and ECM functions, and integrating data with an infrared sensor.	0.5
	Research on airborne radar-IR combined sensor system	Research on long-range surveillance sensor system, which will be installed on large aircrafts to detect airborne threats.	1.8
	Research on high-power laser weapons	Research on system components of high-power lasers for close-range air defense.	1.8
Continuation	Development of new guided missiles for ballistic missile defense	Japan-US cooperative development of new ship-based guided missiles for ballistic missile defense, which will serve as the successor of the SM-3 Block IA missile.	19.1
	Research of Advanced Technology Demonstrator Aircraft (high-maneuverability stealth aircraft)	Research on experimental production of high-maneuverability stealth aircraft with advanced technology to be able to gain grasp of stealth technology under actual flying environment and consider the future air defense system of Japan.	22.8

3. Changes in Number of Personnel

■ **Changes in number of SDF personnel, etc.**

(Unit: Person)

	End of FY2009	End of FY2010	Increase/decrease
GSDF	160,108	160,120	12
Regular personnel	151,641	151,641	0
Ready reserve personnel	8,467	8,479	12
MSDF	45,550	45,518	△ 32
ASDF	47,128	47,123	△ 5
Joint Units	1,159	1,198	39
Joint Staff	359	359	0
Defense Intelligence Headquarters	1,909	1,907	△ 2
Total	247,746 (256,213)	247,746 (256,225)	0 (12)

Note: The number in the bottom parentheses ( ) in the column showing the total figures for each fiscal year end, indicates the number of SDF personnel that includes the SDF ready reserve personnel.

■ **Number of SDF personnel (yearly average)**

(Unit: Person)

	GSDF	MSDF	ASDF
Yearly average	142,002	42,361	43,658

■ **Number of SDF reserve personnel**

(Unit: Person)

	GSDF	MSDF	ASDF	Total
Number of SDF reserve personnel	46,000	1,100	800	47,900

■ **Number of candidates for GSDF reserve personnel**

(Unit: Person)

	End of FY2009	End of FY2010	Increase/decrease
Number of candidates for SDF reserve personnel	4,260	4,600	340

■ **Change in number of administrative officials**

(Unit: Person)

	End of FY2009	End of FY2010	Increase/decrease
Total	22,473	22,242	△ 231

Notes:

1. Includes Minister of Defense, Parliamentary Senior Vice-Minister of Defense, and Parliamentary Vice-Minister of Defense x2
2. Increase/decrease includes a decrease of 495 personnel due to streamlining the number of personnel.

[Defense-related expenses]

1. Overall Defense-related Expenses

[Expenditures (classified into three categories by expenses)] (Unit: ¥ billion)

	FY2009	YR/YR	FY2010	YR/YR
Defense-Related Expenditures	４，７０２．８	△３９．８ ［△０．８%］	４，６８２．６	△２０．２ ［△０．４%］
Personnel and Provisions Expenses	２，０７７．３ （４４．２%）	△１６．７ ［△０．８%］	２，０８５．０ （４４．５%）	７．８ ［０．４%］
Material Expenses	２，６２５．５	△２３．１ ［△０．９%］	２，５９７．５	△２７．９ ［△１．１%］
Obligatory Outlay Expenses	〈３１．６〉 １，６９１．１ （３６．０%）	△３１．３ ［△１．８%］	〈２３．５〉 １，６７５．０ （３５．８%）	△１６．０ ［△０．９%］
General Material Expenses	９３４．４ （１９．９%）	８．２ ［０．９%］	９２２．５ （１９．７%）	△１１．９ ［△１．３%］

[Note]

In addition to the above-mentioned defense-related expenditures, the SACO-related expenses are ¥11.2 billion for FY2009 and ¥16.9 billion for FY2010, and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are ¥60.2 billion for FY2009 and ¥90.9 billion for FY2010. Therefore, the total is ¥4,774.1 billion for FY2009 (△¥5.5 billion, △0.1% yr/yr) and ¥4,790.3 billion for FY2010 (¥16.2 billion, 0.3% yr/yr).

[Comment]

1. Exchange rate for FY2010: US$ 1 = JPY 94
2. ( ): Share, [ ]: Growth rate, ＜ ＞: Expenditures that are to be expended later on.
3. Expenditures that are to be expended later on means to extend the payment period of a part of the obligatory outlay expenses to be paid in the respective fiscal years to the later fiscal years. The above mentioned obligatory outlay expenses refer to the reduced expenses with the deduction of expenditures that are to be expended later on
4. Figures may not add to the totals due to rounding, hereinafter the same.
5. As a result of the screening of public projects by the Government Revitalization Unit, the defense-related expenditures for FY2010 are reduced by ¥16.8 billion from the FY2010 budget request.

[Future Obligation Concerning New Contracts] (Unit: ¥ billion)

	FY2009	YR/YR	FY2010	YR/YR
Future Obligation Concerning New Contracts	１，６９９．０	△９８．１ ［△５．５%］	１，６６２．３	△３６．７ ［△２．２%］

[Note]

In addition to the above-mentioned future obligation concerning new contracts, the SACO-related expenses are ¥6.1 billion for FY2009 and ¥5.8 billion for FY2010, and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are ¥41.0 billion for FY2009 and ¥32.1 billion for FY2010. Therefore, the total future obligation concerning new contracts is ¥1,746.1 billion for FY2009 (△¥86.9 billion, △4.7% yr/yr) and ¥1,700.2 billion for FY2010 (△¥45.8 billion, △2.6% yr/yr).

(Reference) Composition of defense-related expenses

Obligatory outlay expenses

Defense-related expenses are broadly divided into personnel and provisions expenses and material expenses (program expenses). Furthermore, material expenses (program expenses) are classified into obligatory outlay expenses and general material expenses.

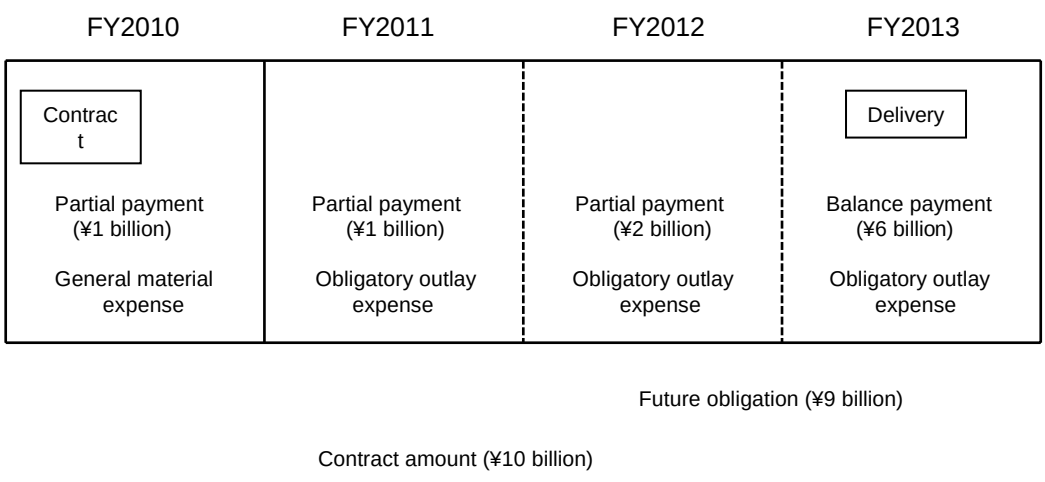
Personnel and provisions expenses		Expenses related to personnel salary, retirement allowance, meals, etc.
Material expenses (program expenses)		Expenses related to the procurement, repair, and maintenance of equipment; purchase of fuel; education and training of SDF personnel; facility construction 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 US forces in Japan.
	Obligatory outlay expenses	Expense of payments made in FY2010, in accordance with contracts made before FY2009
	General material expenses	Expense of payments made in FY2010, in accordance with contracts made in FY2010

Future obligation

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

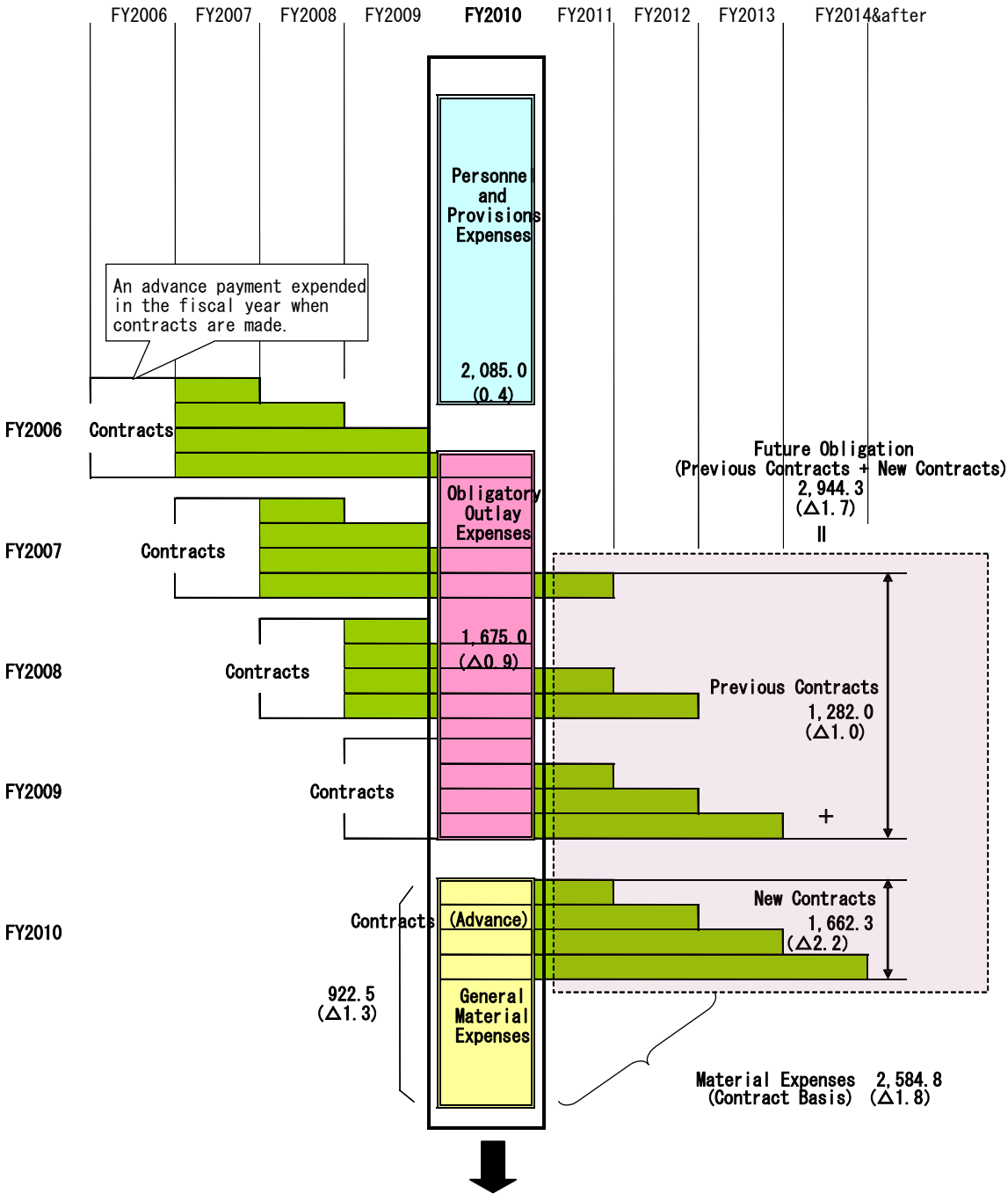
Future obligation refers to the amount which will be paid in the fiscal year(s) following the year the contract is made, in accordance with the contract of several fiscal years.

Ex: 10 billion yen worth of equipment is procured under a four-year contract



Relationship between obligatory outlay expenses and future obligation

Unit: ¥ billion
( ): growth rate (%)



Defense-Related Expenditures (FY2010)

4,682.6
(△0.4)

Notes:

1. The SACO-related expenses and the U.S. forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this table.
2. This chart is an image. The length of a box does not necessarily represent actual amount of the expenses.

Material Expenses (Contract Basis) = General Material Expenses + Future Obligation (New Contracts)
(a constituent of Obligation Outlay Expenses (FY2011~))

2,584.8 = 922.5 + 1,662.3

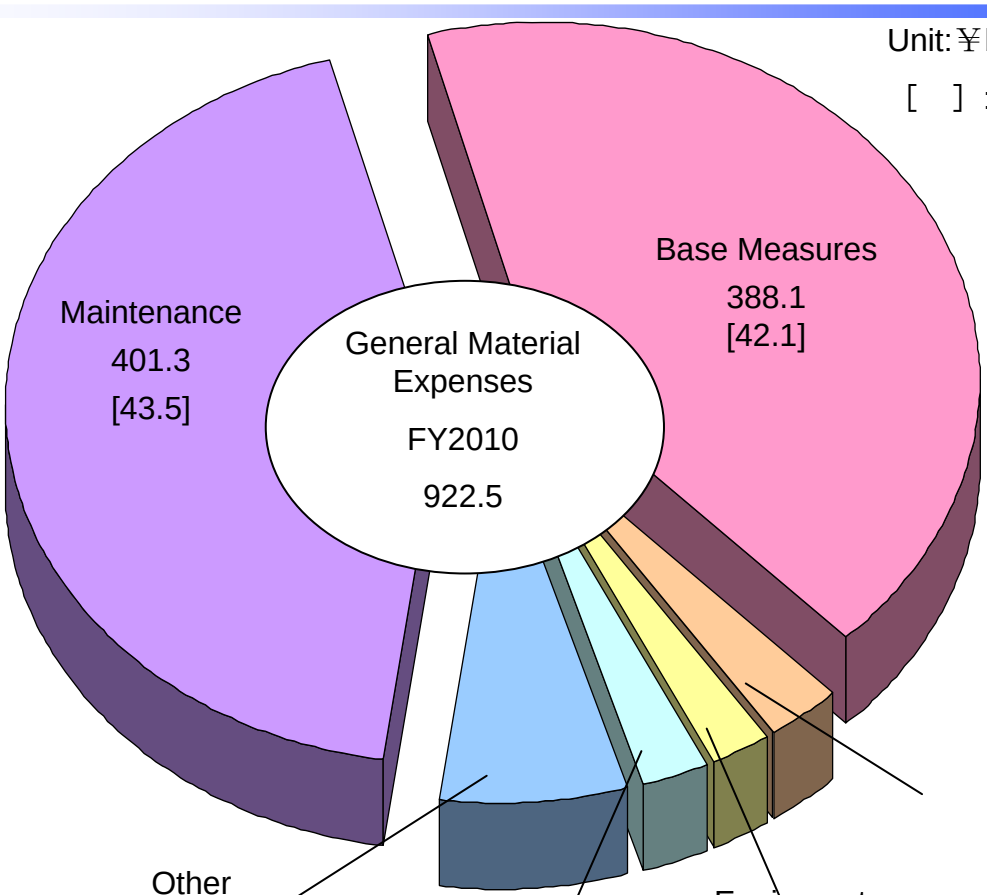
Material Expenses (Expenditure Basis) = General Material Expenses + Obligation Outlay Expenses (FY2010)

2,597.5 = 922.5 + 1,675.0

2. General Material Expenses

Unit: ¥billion

[ ] : Share (%)



[Details of General Material Expenses]

(Unit: ¥billion)

Classification	FY2009	FY2010	YR/YR
Maintenance	４２０.１	４０１.３	△１８.９
・Petrol	１０１.５	８４.１	△１７.４
・Repair	１７７.７	１７５.９	△１.７
・Education & Training	２７.６	２６.７	△１.０
・Medical Care	２３.１	２３.９	０.８
・Utilities	９０.２	９０.７	０.５
Base Measures	３８７.０	３８８.１	１.１
・Community Grants	８７.５	８８.０	０.５
・Host Nation Support	１７１.８	１７０.６	△１.２
・Rent, Compensation costs	１２７.６	１２９.５	１.８
R&D	２８.４	２６.２	△２.２
Equipment Acquisition	２０.３	１９.８	△０.５
Facility Improvement	１５.４	２２.４	７.０
Others	６３.２	６４.７	１.５
Total	９３４.４	９２２.５	△１１.９

Note: The SACO-related expenses and the U.S. forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this graph and this table.

3. Material Expenses (Contract Basis)

Material Expenses (Contract Basis) = General Material Expenses + Future Obligation Concerning New Contracts

[Details of Material Expenses (Contract Basis)]

(Unit: ¥ billion)

Classification	FY2009	FY2010	FY/FY
Maintenance	1，159．3	1，098．7	△60．6
Petrol	101．5	84．1	△17．4
Repair	888．6	840．1	△48．5
Education & Training	169．3	174．5	5．3
Base Measures	435．4	434．6	△0．8
R&D	117．3	126．6	9．4
Equipment Acquisition	461．6	484．5	22．9
Aircraft Acquisition	69．1	70．9	1．8
Shipbuilding	191．7	176．2	△15．5
Facility Improvement	129．3	116．7	△12．5
Others	69．8	76．5	6．6
Total	2，633．4	2，584．8	△48．6

Note: The SACO-related expenses and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this graph and this table.

(Reference) Details of Future Obligation Concerning New Contracts

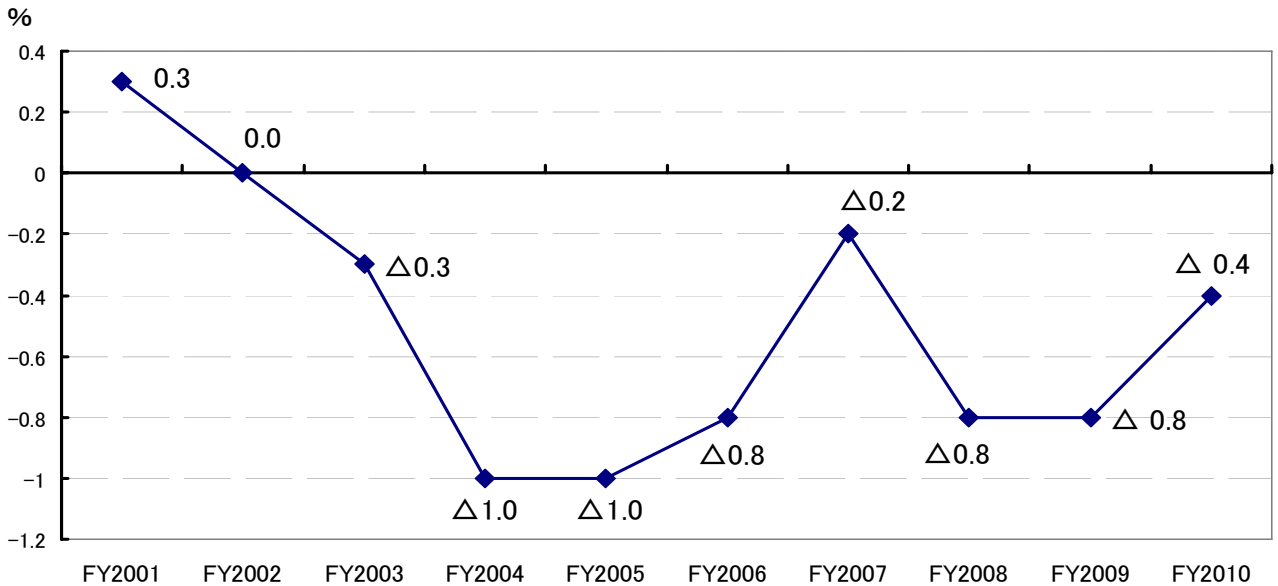
(Unit: ¥ billion)

Classification	FY2009	FY2010	YR/YR
Maintenance	739．2	697．5	△41．7
Repair	710．9	664．2	△46．7
Education & Training	28．3	33．3	5．0
Base Measures	48．4	46．5	△1．9
R&D	88．8	100．4	11．6
Equipment Acquisition	442．6	466．4	23．7
Aircraft Acquisition	69．1	70．8	1．7
Shipbuilding	190．4	174．6	△15．8
Facility Improvement	113．9	94．3	△19．6
Others	6．6	11．7	5．1
Total	1，699．0	1，662．3	△36．7

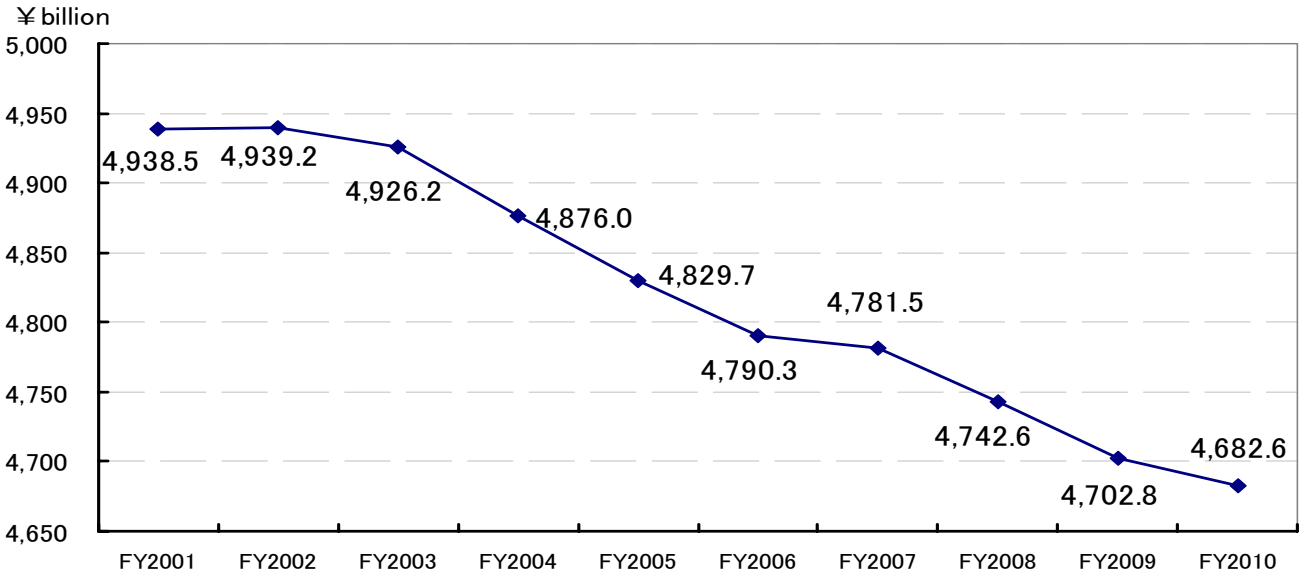
Note: The SACO-related expenses and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this graph and this table.

(Reference) Trends in defense-related expenses

Changes of growth rates



Changes of defense-related expenditures



[Note]

1. The above do not include future obligation.
2. Growth rates in this graph do not include the SACO-related expenses,
   ¥16.5 billion for FY2001, ¥16.5 billion for FY2002, ¥26.5 billion for FY2003, ¥26.6 billion for FY2004, ¥26.3 billion for FY2005, ¥23.3 billion for FY2006, ¥12.6 billion for FY2007, ¥18.0 billion for FY2008, ¥11.2 billion for FY2009, ¥16.9 billion for FY2010, or the U.S. forces realignment-related expenses (portion meant to reduce the burden on the local community),
   ¥7.2 billion for FY2007, ¥19.1 billion for FY2008, ¥60.2 billion for FY2009, ¥90.9 billion for FY2010.

Changes of three categories

General Material Expenses

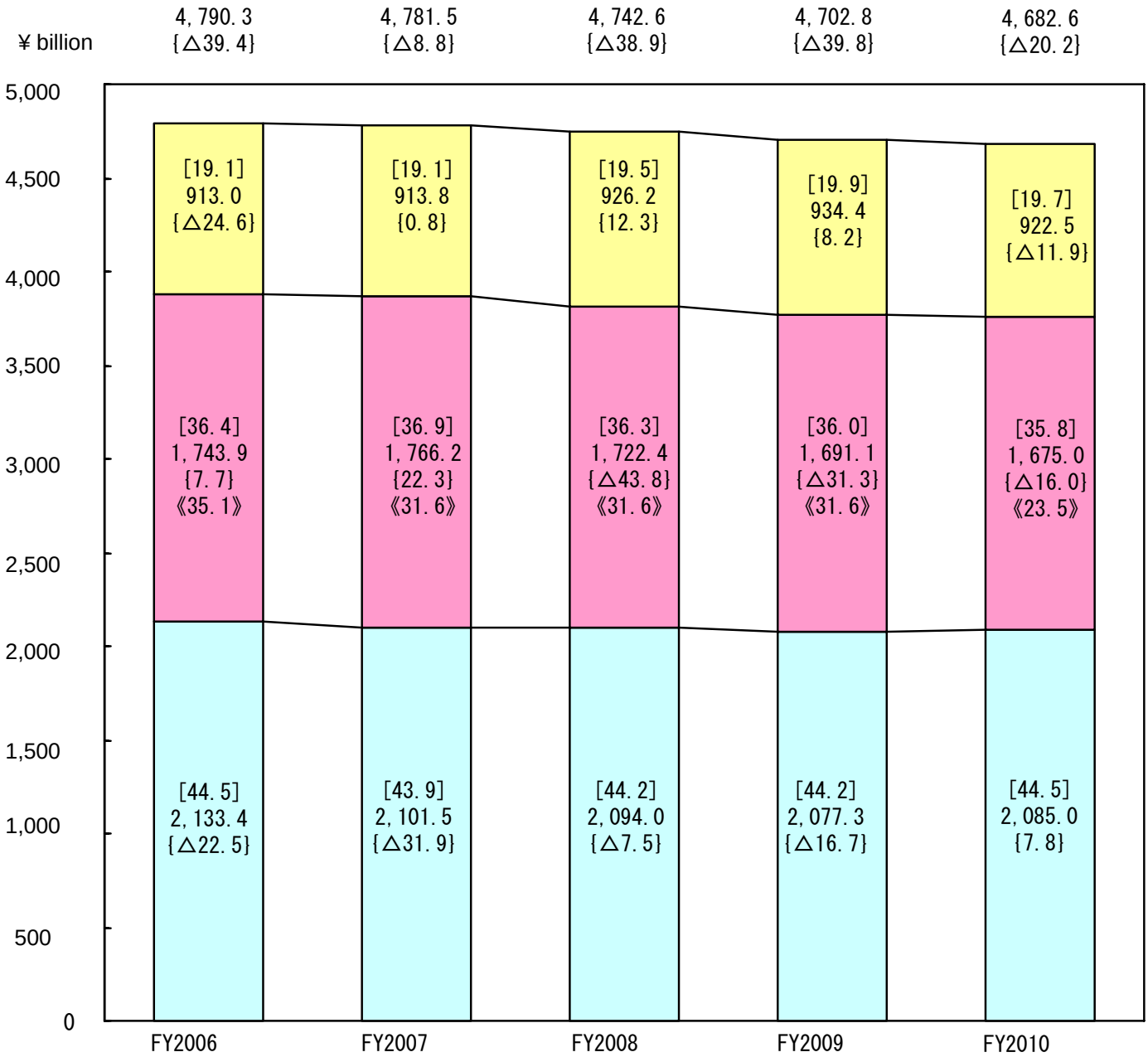
Obligation Outlay Expenses

Personnel and Provisions Expenses

[ ] : Share (%)

{ } : Increase

《 》 : Expenditures that are to be expended later on



Note: The SACO-related expenses and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this graph.

Breakdown by organization

(Unit: ¥ billion, %)

Classification	FY2009	FY2010	YR/YR	Growth rate
Defense-related expense	4,702.8	4,682.6	△20.2	△0.4
Ministry of Defense	4,702.8	4,682.6	△20.2	△0.4
(Ministry of Defense, excluding local branch bureaus and departments)	4,683.6	4,664.0	△19.6	△0.4
GSDF	1,731.4	1,743.9	12.5	0.7
MSDF	1,069.9	1,052.2	△17.7	△1.7
ASDF	1,147.8	1,087.3	△60.5	△5.3
Total	3,949.1	3,883.5	△65.6	△1.7
Internal Bureau	487.5	481.1	△6.4	△1.3
Joint Staff	17.5	26.0	8.5	48.6
Defense Intelligence Headquarters	49.0	59.2	10.1	20.7
National Defense Academy	15.1	14.7	△0.4	△2.9
National Defense Medical College	25.4	20.0	△5.3	△21.0
National Institute for Defense Studies	1.6	1.6	0	△0.2
Technical Research and Development Institute	130.8	170.4	39.6	30.3
Equipment Procurement and Construction Office	7.2	7.1	△0.1	△1.9
Inspector General's Office of Legal Compliance	0.4	0.4	0	4.7
Total	734.5	780.5	46.0	6.3
(Regional Defense Bureaus)	19.1	18.5	△0.6	△3.0

Note: The SACO-related expenses and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this table.

Promotion of base measures

(Unit: ¥ billion, %)

Classification	FY2009	FY2010	YR/YR	YR/YR Growth Rate	Notes
Promotion of base measures	< 435.4 > 439.9	< 434.6 > 436.5	< △ 0.8 > △ 3.4	< △ 0.2 > △ 0.8	
(1) Expenses related to measures for communities surrounding bases	< 117.6 > 115.5	< 117.6 > 117.9	< 0.1 > 2.4	< 0.1 > 2.0	
Improvement of living conditions of surrounding communities	< 81.6 > 79.6	< 80.6 > 80.8	< △ 1.0 > 1.3	< △ 1.3 > 1.6	Aid for maintaining living conditions related to facilities (river and road restoration, sound proof work in schools, waste treatment facility, etc.)
Sound-proof work in residential areas	35.9	37.0	1.1	3.1	Aid for sound proof work in residential areas surrounding air bases, etc.
(2) Cost sharing for the stationing of US forces in Japan (USFJ)	< 189.7 > 192.8	< 186.9 > 188.1	< △ 2.7 > △ 4.7	< △ 1.4 > △ 2.4	
Special Measures Agreement	141.5	139.5	△ 2.0	△ 1.4	
Labor cost	116.0	114.0	△ 2.0	△ 1.7	Sharing cost of wages of USFJ employees
Utilities, etc.	24.9	24.9	0.0	0.0	Sharing cost of utilities used at facilities of USFJ
Training relocation expenses	0.6	0.5	0.0	△ 4.5	Sharing expenses related to US field-carrier landing practices in Iwo To Island
Facilities improvement	< 18.8 > 21.9	< 19.5 > 20.6	< 0.7 > △ 1.3	< 3.7 > △ 5.8	Facilities improvement for USFJ (barracks, etc.)
Measures for USFJ employees, etc.	29.3	27.9	△ 1.4	△ 4.8	Sharing expenses related to social security contributions of employers
(3) Rental cost of facilities, compensation expenses, etc.	< 128.2 > 131.6	< 130.1 > 130.5	< 1.9 > △ 1.1	< 1.5 > △ 0.8	Rental cost of defense facility land and fishery compensation

Note: The figures are expenditure-based (general material expenses + obligatory outlay expenses), and the figures within < > are contract-based (hereinafter the same).

Expenses related to the Special Action Committee on Okinawa (SACO)

(Unit: ¥ million, %)

Item	FY2009 (A)	FY2010 (B)	YR/YR (C=B-A)	YR/YR growth rate (C/A)	Note
1 Programs for land return	<6,955> 5,904	<5,003> 11,892	<△1,952> 5,988	<△28.1> 2.0X	Facilities relocation work and compensation, etc. for land return
2 Programs for training improvement	<2,212> 1,525	<1,999> 2,129	<△213> 604	<△9.6> 39.6	Transport of personnel associated with the relocation of live-fire training over Highway 104 in Okinawa Prefecture to mainland Japan, as well as facility maintenance for the safe implementation of training
3 Programs for noise reduction	<281> 78	<1,632> 223	<1,351> 145	<5.8X> 2.8X	Implementation of noise reduction initiatives
4 Programs for the smooth implementation of SACO projects	<1,936> 3,665	 2,611	<675> △1,054	<34.9> △28.8	Programs for the smooth implementation of measures included in the SACO final report
Total	<11,384> 11,172	<11,244> 16,854	<△140> 5,682	<△1.2> 50.9	

Portion of US forces realignment-related expenses meant to reduce the burden on the local community

(Unit: ¥ million, %)

Item	FY2009 (A)	FY2010 (B)	YR/YR (C=B-A)	YR/YR growth rate (C/A)	Note
					Promotion of policies for the proper and swift implementation of realignment-related measures in light of the Efforts by the Government of Japan regarding Realignment of U.S. Force Structure in Japan and Others (approved by the Cabinet on May 30, 2006)
1 Projects for the relocation of the US Marine Corps from Okinawa to Guam	34,608	47,229	12,621	36.5	Implementation of "Mamizu" projects, etc.
2 Realignment programs in Okinawa	<29,066> 9,590	<1,536> 5,284	<△27,529> △4,307	<△94.7> △44.9	
(1) Relocation of Futenma Air Station	<28,780> 9,387	<1,354> 5,283	<△27,427> △4,104	<△95.3> △43.7	Programs related to the relocation of Futenma Air Station
(2) Return of land south of Kadena	<285> 203	<182> 1	<△103> △203	<△36.0> △99.8	Programs related to the return of land south of Kadena Air Base
3 Programs related to the maintenance of US army headquarters	<2,772> 386	<5,098> 1,162	<2,326> 776	<83.9> 3.0X	Programs related to the partial return, etc. of Sagami General Depot
4 Programs for the relocation of carrier-based aircraft	<12,489> 5,584	<47,437> 27,077	<34,949> 21,493	<3.8X> 4.8X	Programs related to the relocation of carrier-based aircraft from Atsugi Air Base to Iwakuni Air Base
5 Programs for training relocation	856	847	△10	△1.1	Programs related to the relocation of US aviation training from Kadena Air Base, etc. to mainland Japan
6 Programs for the smooth implementation of realignment-related measures	9,188	9,285	97	1.1	
(1) Realignment grant	9,122	9,210	88	1.0	
(2) Measures for communities near bases	66	75	9	14.3	
Total	<88,979> 60,213	<111,432> 90,883	<22,453> 30,671	<25.2> 50.9	

*: 1. US forces realignment-related expenses are ¥131,953 million <¥140,048 million>. The breakdown is as follows.

1) Portion meant to reduce the burden on local community : ¥90,883 million <¥111,432 million>

2) Portion for improving facilities to reduce the burden on local community : ¥ 7,767 million <¥ 15,786 million>

- Guam Relocation Project Office expenses : ¥ 666 million <¥ 666 million>
- Iwakuni Air Base : ¥ 5,175 million <¥ 13,841 million>
- Nyutabaru Air Base : ¥ 1,927 million <¥ 1,280 million>

3) Measures for maintaining deterrent power : ¥33,302 million <¥ 12,829 million>

2. The above figures for equipment include initial expenses.

3. As regards the relocation of Futenma Air Station, reserve fund and purpose-undecided national treasury funds will be used to swiftly enter into necessary contract procedures once the relocation site is decided.

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