

# Defense Programs and Budget of Japan

Overview of FY2011 Budget Request

**Ministry of Defense**



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## Overview of FY2011 Budget Request

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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.

3) Blue text indicate new programs.

# Concept of FY2011 Budget Request

1. The FY 2011 budget request is being made in accordance with the discussions at the Council on National Security and Defense Capabilities in the New Era and the MoD's studies for the review of the National Defense Program Guidelines and the establishment of the mid-term defense program for FY2011 and beyond, which are scheduled to conclude by the end of this year.
2. The following policies are stressed in FY2010, based on the emphases presented in the Guideline for the Formulation of the FY2010 Defense Budget (approved by the Cabinet on December 17, 2009) and the ongoing studies on new roles of defense capabilities, with a view to appropriately respond to the increasingly challenging security environment as well as adapt to the diversification and internationalization of missions.
  - Effective deterrence and response
  - Further stabilization of regional security environment
  - Improvement of the global security environment
3. The key items are also defined, to develop effective defense capabilities amidst the continuous fiscal austerity in view of indispensability, synergy and cost effectiveness.

# 1 Effective Deterrence and Response

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

## 1) Information Gathering, 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 Capability

#### ■ Building of submarine (SS)

- Build one submarine (2,900 ton) as a replacement for the submarine Asashio which is expected to be retired in FY2015 (enhanced X-band satellite communications capability)



Soryu class submarine

#### ■ Life extension of submarine (study on the base of maintenance)

#### ■ Life extension of destroyer

- To maintain the destroyer fleet, implement life extension measures for Hatsuyuki and Asagiri class destroyers

#### ■ Acquisition of fixed wing patrol aircraft (P-1)

- As a replacement for the P-3C, mobilize P-1 with improved flight performance and patrol capability

#### ■ Life extension of fixed wing patrol aircraft (P-3C) and patrol helicopter (SH-60J)

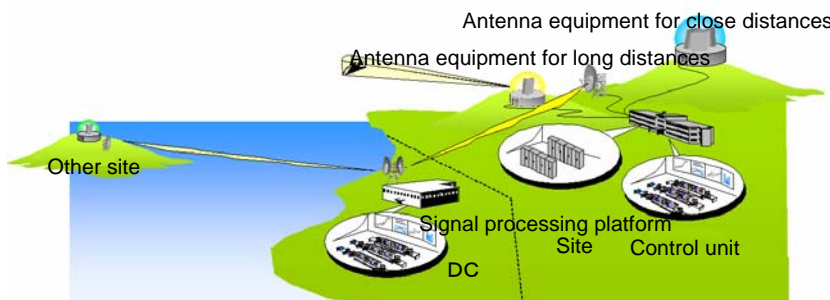
- To maintain the fleet of fixed wing patrol aircrafts and patrol helicopter, implement life extension measures for P-3C and SH-60J

#### ■ Mobilization of replacement warning and control radar equipment (system design)

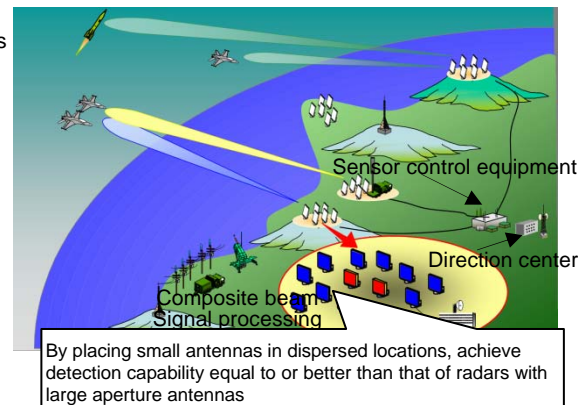
- To upgrade the aging radar early on while adapting to the enhanced aircraft capabilities of neighboring countries, design a low-cost and high performing radar system

#### ■ Research on future radar method

- To improve the detection capability of stealth aircraft, carry out research on future radar method



Mobilization of warning and control radar equipment (system design)



Research on future radar method

### Studies on Unmanned Aircraft

- Overseas studies on the operation, maintenance, and development of high-altitude unmanned aircraft

## 2) Response to Ballistic Missile Attacks, etc.

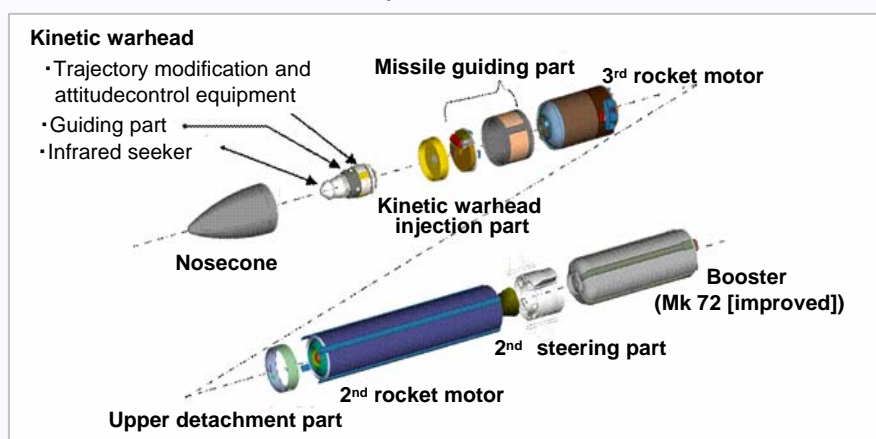
To be fully prepared for responding to ballistic missile attacks, Japan and the U.S. will continue their cooperative development of an advanced interceptor missile for BMD (SM-3 Block IIA). Furthermore, Japan will promote the additional deployment of PAC-3.

¥60.9 billion

### Research and Development (Japan-U.S. Cooperative Development)

#### ■ Enhanced BMD interceptor missile (SM-3 Block IIA)

- To increase the defense capabilities for defending against ballistic missiles attacks with a view to strengthening the means for responding to future threats, Japan and the U.S. will continue their cooperative development of an enhanced BMD interceptor missile (SM-3 Block IIA) to be carried by Aegis ships.
- In FY2011, as part of the final phase of the development, prototype missiles which will be designed and manufactured for use in a sea-launched missile experiment.



### Development of Interception System

#### ■ Additional deployment of PAC-3

- To enhance the defense capability against ballistic missiles in the southwestern region, PAC-3 will be newly deployed to one of the anti-aircraft artillery units of the 5th Air Defense Missile Group in Okinawa

#### ■ Acquisition of PAC-3 missile

- Acquire the necessary PAC-3 missiles and enhance the defense capability against ballistic missiles



PAC-3 launch experiment

### Realization of Prompt and Appropriate Mobilization

#### ■ Acquisition of equipment for mobilizing PAC-3 units

- Supply maneuvering vehicles and communications equipment for units to carry out long-term missions quickly and accurately



A Patriot launcher carried by a MSDF transport vessel



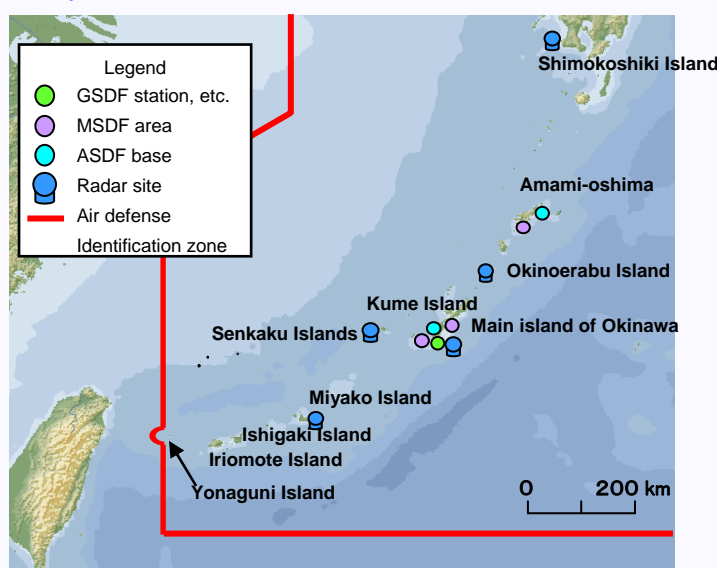
### 3) Response to Various Situations in the Offshore Islands

To be able to respond flexibly to various types of situations in Japan's offshore islands, Japan will consider SDF unit deployments and promote various trainings as well as acquire additional equipment.

#### Response for Southwestern Region

##### ■ Consideration of SDF Unit Deployment,

- To fill the defense void in the Sakishima Islands and be prepared to respond in times of contingencies, carry out the necessary studies to explore the possibility of SDF deployment to the region.
- To contribute to the smooth operation of the ASDF units including the Mobile Aircraft Control & Warning Squadron in the Southwestern region, acquire the necessary equipment for radio wave environment and technology studies and carry out such studies in the Sakishima Islands.



##### ■ Enhancing skills of SDF units

- (JSO) SDF joint exercises

Carry out field training exercises in the Southwestern region to maintain and enhance the capabilities for joint operations of various levels from the Joint Staff Office to Operating Units

- (GSDF) Regional army field training exercises (Western Army)

Carry out field training exercises including coordinating procedures with the MSDF and ASDF under the scenario of responding to an invasion of isolated islands

- (GSDF) Field training exercises with the Marine Corps in the U.S.

To enhance the capabilities for responding to isolated island invasions, dispatch SDF units to the U.S. in which effective training facilities exist, to acquire knowledge and skills, as well as carry out field training exercises of coordinating procedures

## Acquisition and Enhancement of Equipment

### ■ Acquisition of next transport aircraft (C-2 [tentative])

- Procure C-2 (tentative), as a replacement for the existing C-1, to enhance the capabilities for responding to various contingencies in the offshore islands and to strengthen the transport capabilities for international peace cooperation activities, etc.

Specifications	C-1	C-2 (tentative)
Length × Width × Height	Approx 29m × Approx 31m × Approx 10m	Approx 44m × Approx 44m × Approx 14m
Maximum carry weight	Approx 8t	Approx 30t
Range	Approx 1,700 km (carrying 2.6t)	Approx 6,500 km (carrying 12t)



Next transport aircraft  
(C-2[tentative])

### ■ Acquisition of next rescue helicopter (UH-X)

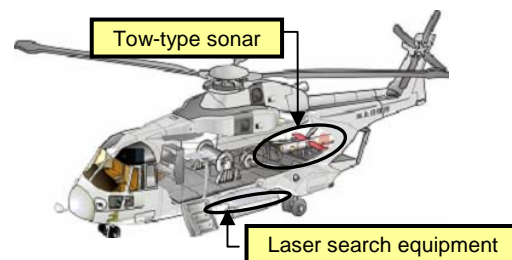
- To maintain the air rescue system of the ASDF and to enhance the capabilities for responding to various contingencies in the offshore islands, procure UH-X as a replacement of the existing UH-60J



Next rescue helicopter (image)

### ■ Acquisition of minesweeping and transport helicopter MCH-101 (minesweeping specifications)

- To support future mine countermeasures operation, mobilize minesweeping and transport helicopter MCH-101 (minesweeping specifications) to replace the minesweeping and transport helicopter MH-53E

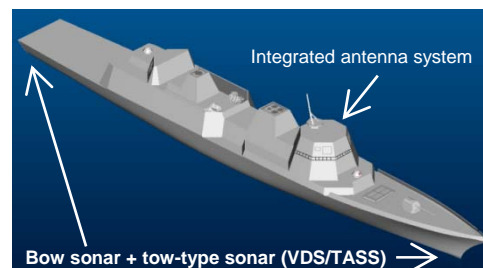


Minesweeping and transport helicopter MCH-101  
(minesweeping specifications)

### ■ Research on systems installed on next-generation destroyers

- Carry out research on an integrated antenna system\* and sonar system which will be installed on next-generation destroyers around FY2018

\* Integrated antenna system: Antenna system which synthesizes various radio instruments for the purpose of improving stealthiness



Research on systems installed on next-generation  
destroyers

### ■ Deployment of multi-purpose helicopter (UH-60JA)

- Strengthen airmobile operation capabilities in the western region from the standpoint of strengthening the defense capabilities of the southwestern islands

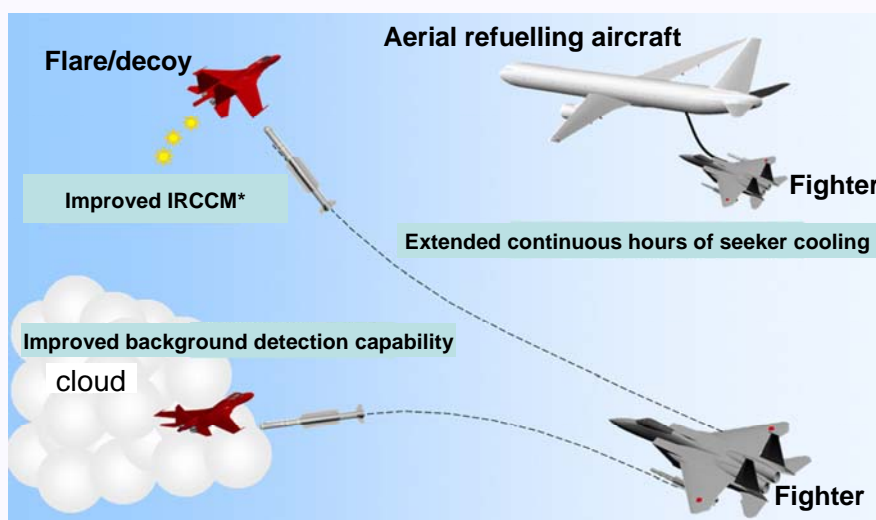
## 4) Achievement of Air Superiority

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

### Capability Enhancement of Existing Fighters to Maintain Effectiveness

#### ■ Development of (improved) type-04 air-to-air missile

- Develop advanced capability type-04 air-to-air missile (AAM-5) for close-range combat to be carried by fighters (F-15)



\* IRCCM: (Infra-Red Counter Counter Measures)

Development of (improved) type-04 air-to-air missile

#### ■ Upgrading of fighter capabilities

Upgrade capabilities of existing fighters to adapt to the modernization of the aerial combat capabilities of neighboring countries and to appropriately carry out missions such as air defense

- Modernize F-15
- Improve self-defense capability of F-15
- Improve F-2 air-to-air combat capability
- Add JDAM\* function to F-2

\* JDAM: (Joint Direct Attack Munitions)



Fighter (F-15)

### Studies on Next Fighter (F-X)

#### ■ Studies on next fighter (F-X)

To appropriately consider and select the fighter (F-X), carry out necessary studies on the aircraft's performance evaluation items, such as performance information, and on the ripple effects to Japanese industries



## 5) Response to special forces attacks, NBC weapon attacks, and unconventional disasters

Japan will make equipment and training enhancements to strengthen the capabilities for effective response to terrorism and special forces attacks, NBC (nuclear, biological, and chemical) weapon attacks, and large-scale and special-type disasters.

### Response to Special Forces Attacks

¥95.2 billion

- Implementation of integrated mobility drills to enhance capabilities including prompt strategic maneuvering capabilities utilizing measures that use GSDF, MSDF, and ASDF methods
- Patrolling and surveillance and information gathering
  - Patrolling and surveillance exercises
- Search of guerilla and special forces unit, protection of vital facilities
  - Mobilize vehicles, helicopters, wireless devices; develop base security system
- Capture and interception of invading guerillas and special forces units
  - Urban terrain combat exercises
- Strengthening of partnerships with the police
  - Joint public security operation exercises with the police
- Development of multi-purpose helicopter
  - Develop helicopter to replace existing GSDF's UH-1J for use in aerial operations, air transport, and other missions
- Acquisition of combat helicopter (AH-64D)
  - Procure combat helicopter (AH-64D) with superior long-distance and wide-area reconnaissance and surveillance capabilities
- Acquisition of type-10 tank
  - In response to the decreasing power of existing tanks, continue to procure type-10 tanks which are smaller and lighter and have improved mobility and enhanced network combat capabilities



Urban terrain combat exercise

### Response to NBC Weapon Attacks

¥13.2 billion

- Enhancement of capabilities necessary for response
  - Prevention: Smallpox vaccine
  - Detection, identification: NBC reconnaissance vehicle
  - Protection: Personnel protection equipment
  - Diagnosis, treatment: Remote medical support system
  - Decontamination: Decontamination vehicle, decontamination equipment
  - Training: NBC protection training



NBC protection training

### Improvement of Disaster Response Capability

¥110.5 billion

- Strengthen emergency response capability to respond quickly at the time of disasters
  - Mobilize transport helicopters (e.g., CH-47JA) capable of transporting disaster victims and equipment
  - Conduct disaster relief drills (e.g., SDF joint disaster prevention exercises)

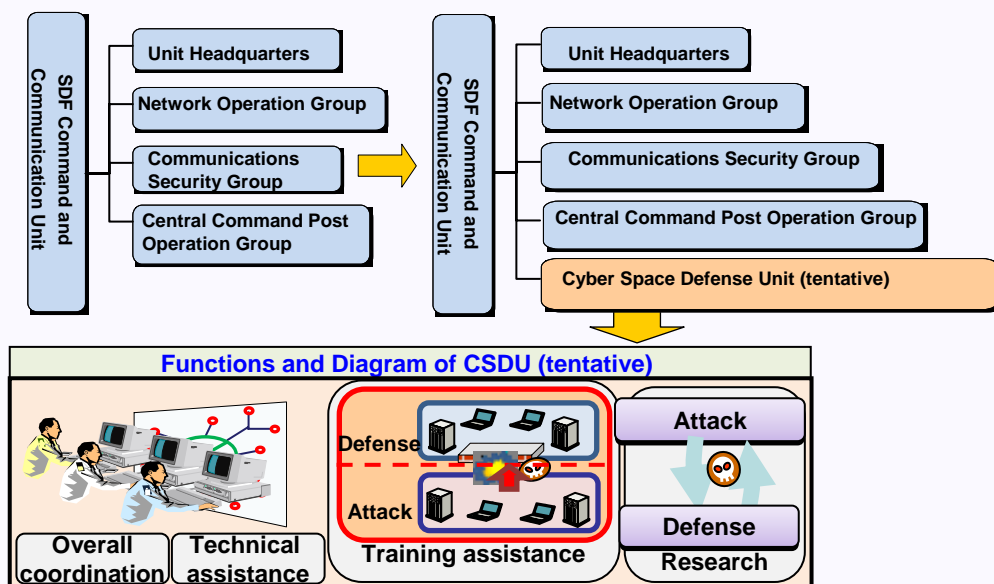
## 6) Response to Cyber Attacks

To enhance the capability for effective response to cyber attacks by strengthening cyber defense system.

### Enhancement and strengthening of Cyber Defense System

- Prepare for the creation of a new Special Unit for cyber-defense
  - Secure personnel to prepare for the creation of a new Cyberspace Defense Unit (CSDU) (tentative) by the end of FY2012, which will constitute the core body for integrated cyber defense in the MOD and SDF

Structural diagram



- Strengthen planning functions of the Internal Bureau and Joint Staff office concerning response to cyber attacks
- Strengthen function for Cyber Warfare analysis
  - Reinforce the function of the Defense Intelligence Headquarters which exclusively collects and analyzes information concerning foreign cases of cyber attacks over the long term

### Establish Operating Framework

- Begin the operation of security and analysis devices for cyber defense
  - Develop security and analysis devices for cyber defense to provide assistance for the training of SDF cyber security personnel for cyber attack responses and to conduct research on cyber attack responses
- Research aimed at responding to cyber attacks

### Human Resources Development and Enhance Partnership with Other Countries

- Human resources development initiatives to defend against cyber attacks
  - Develop the National Defense Academy's education and research curriculum on network security (additional personnel)
  - Dispatch personnel to study at Japanese and overseas graduate schools
- Enhance partnership with the U.S. (e.g., participate in Japan-U.S. IT forum)

## 2 Further Stabilization of Regional Security Environment

To promote defense cooperation, exchanges and dialogue to contribute to the stabilization of the security environment and order in the Asia-Pacific region.

### 1) Promoting defense cooperation and exchanges with partners

- Defense cooperation and exchanges with Australia, ROK, etc.  
Defense exchanges and cooperation with China and Russia  
Japan-US-Australia, Japan-US-ROK defense cooperation and exchanges  
Defense cooperation and exchanges with Southeast Asian countries, European countries, and NATO
- Japan-ROK, Japan-Russia, Japan-China search and rescue joint exercise  
Japan-US-Australia, Japan-US-India joint exercises
  - Aimed at improving search and rescue related skills, as well as strengthening trust and mutual understanding



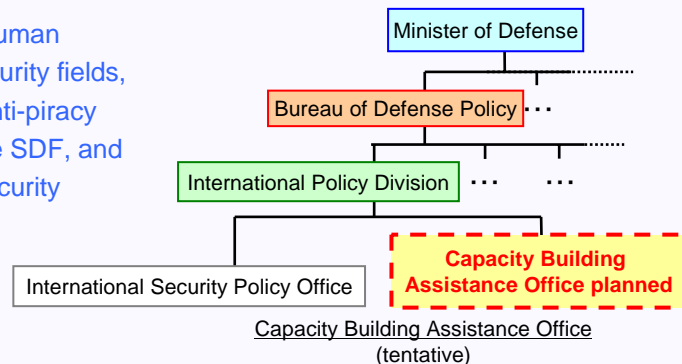
Japan-US-ROK defense cooperation and exchanges



Search and rescue joint exercise

#### ■ Capacity building assistance

- Promoting response capabilities and development of human resources of developing countries in non-traditional security fields, such as humanitarian assistance / disaster relief and anti-piracy with the knowledge and experience of the MOD and the SDF, and thereby, contributing to the stabilization of the global security environment
- Capacity Building Assistance Office (tentative) planned to be established in the International Policy Division, Bureau of Defense Policy



### 2) Promoting multilateral cooperation in the Asia-Pacific region

- Participating in the ASEAN Regional Forum (ARF)
  - The ARF provides Japan with an opportunity to actively explain its defense policies and efforts, and to frankly discuss with member nations, thereby increasing the transparency of the defense policies as well as fostering mutual understanding.
- Participating in Pacific Partnership (PP) 2011
  - A U.S. naval ship will visit countries in the Asia-Pacific region to provide medical services and hold inter-cultural events, etc. Through cooperation with governments, militaries, international organizations, and NGOs, PP strengthens partnerships among participating countries and facilitates international disaster relief operations.
- Multilateral security dialogue hosted by the MOD and the SDF
  - Hosting the Tokyo Defense Forum
  - Hosting the Meeting of Senior Defense Officials on Common Security Challenges in the Asia-Pacific Region
- Pacific Area Senior Officer Logistics Seminar (JSO), Multilateral Logistics Staff Talks (GSDF), Asia Pacific Naval College Seminar (MSDF), International Air Defense Education Seminar (ASDF)



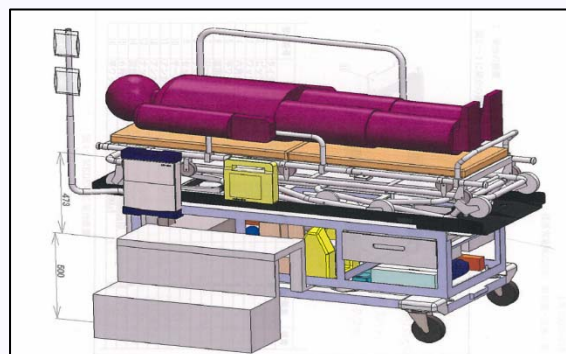
# 3 Improving the Global Security Environment

To proactively participate in the coordinated efforts of the international community, including counter-terrorism measures, participation in international peace cooperation activities, and response to the issue of the proliferation of weapons of mass destruction, as well as expand global defense exchanges and cooperation.

## 1) Strengthening SDF's basis for international activities

¥6.2 billion

- Mobilization of equipment relevant to international operations
  - Mount UH-60JA bulletproof shield
  - Supply sufficient air evacuation equipment
  - Repair CH-47JA engine
  - Mobilize self-defense equipment for transport aircraft



Supply sufficient air evacuation equipment

- Education and exercises for international peace cooperation activities, etc.
  - Train Arabic specialists
  - Participate proactively in multilateral exercises
- Commencement of education programs to contribute to international peace
  - Begin short-term seminars for SDF personnel who hold positions such as instructors
  - Hold symposia inviting experts from Japan and overseas to deepen the study of international peace cooperation activities, etc.

## 2) Initiatives for International Community Efforts

- Dispatch of lecturers to PKO centers in African countries
- Participation in PSI\* interdiction exercises
  - Maintain and increase the capability of the MOD/SDF and relevant organizations and countries for taking a coordinated response against the proliferation of weapons of mass destruction, etc.      \*PSI: Proliferation Security Initiative
- Anti-piracy operations off the coast of Somalia and in the Gulf of Aden
  - Continue anti-piracy operations carried out by destroyers and P-3Cs in the Gulf of Aden
- Maintenance cost of new facility for Japanese anti-piracy missions
  - Necessary maintenance cost of the new facility of the dispatched air unit for anti-piracy operations



Dispatch of lecturers to PKO centers in African countries



Anti-piracy operations off the coast of Somalia and in the Gulf of Aden

# 4 Space and Information and Telecommunication Programs

To promote space-related programs and enhance the information and telecommunication function.

## Space Programs

¥87.7 billion

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

- Research for enhancement of C4ISR\* capability
  - Research on two color infrared image sensor technology, etc.
- Use of satellite communication
  - [Enhancement of X-band satellite communications functions \(see below\)](#)
  - Lease of transponder of communications satellite, etc.
- Use of commercial imagery satellite
  - Receive commercial satellite imagery, etc .
- Use of meteorological satellite information
- Send personnel to Space Fundamentals Course of the U.S. Air Force.



Commercial Communications satellite Superbird C2

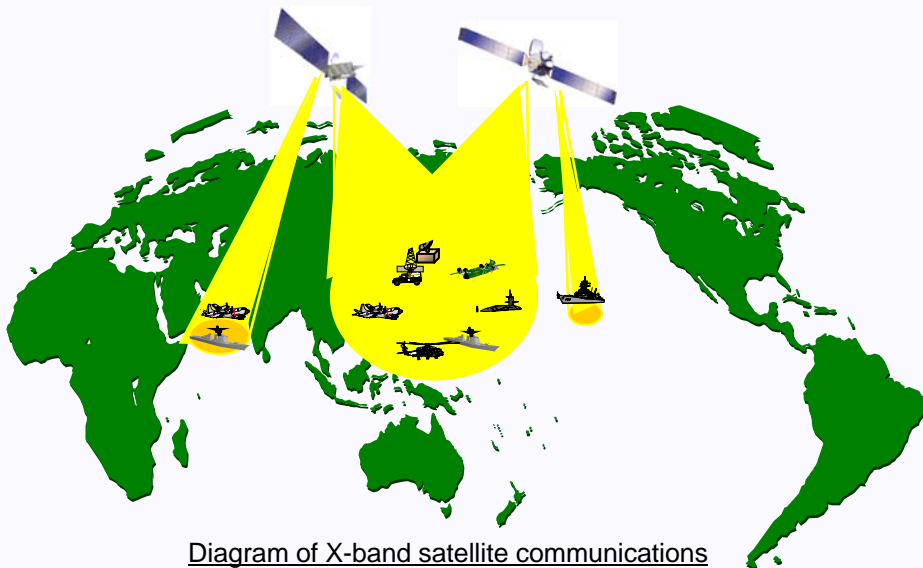


Diagram of X-band satellite communications

## Enhancement of information and telecommunication function

- [Enhancement of X-band satellite communications functions](#)
  - To further enhance the functions of X-band satellite communications, an X-band satellite communications network will be developed to follow-up the existing satellite communications network, which is expected to reach the end of its life span in FY2015.
- [Development of Firing Command and Control System \(FCCS\)](#)





## 5 Research on Future Combat Aircraft and Efforts Aimed at Conversion of MOD-Developed Aircrafts for Private-Sector Use

In light of the interim report of the discussions on the production of combat aircrafts and the supporting technological infrastructure (December 2009), MOD will advance measures which will ensure the high usage and safety of combat aircrafts, and explore a mid- to long-term strategy for the research and development of a future combat aircraft. In addition, with a view to maintaining and enhancing aircraft production and the technological infrastructure as well as reducing aircraft costs, MOD will explore the conversion of MOD-developed aircrafts for private-sector use.

### R&D Vision for Future Combat Aircraft

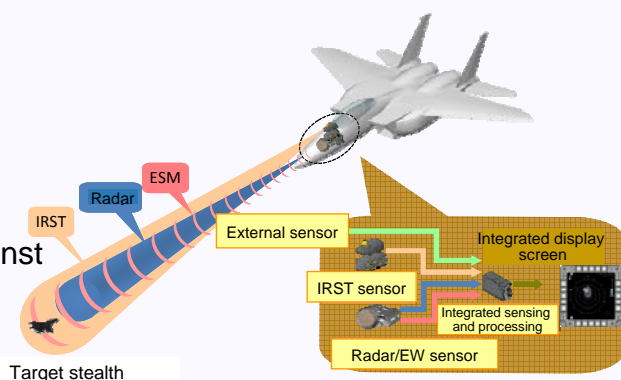
A concept for a future combat aircraft will be developed, a list of the necessary research items will be made and related research will be promoted, so that aircraft development may be in the list of options when it is time to consider the acquisition of replacement aircrafts for the F-2.



Diagram of possible future combat aircraft

#### ■ Research on advanced integrated sensor system

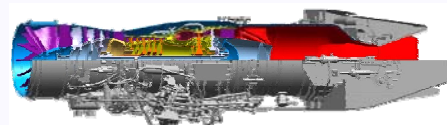
- Research regarding sensor system for combat aircraft capable of detecting and defending against stealth aircrafts



Research on advanced integrated sensor system

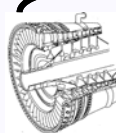
#### ■ Research on next-generation engine technology

- Research regarding powerful next-generation engine technology

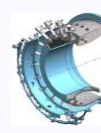


#### ■ Research on the aerodynamic technology of weapons carried inside aircrafts

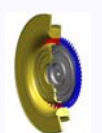
- Research on the aerodynamic characteristics which are exerted during weapon separation, which are essential for enhancing stealth capabilities



Light-weight compressor aerodynamic technology



High-temperature high-pressure turbine aerodynamic technology



High-temperature combustion technology

Research on next-generation engine technology

### Conversion of MOD-Developed Aircrafts for Private-Sector Use

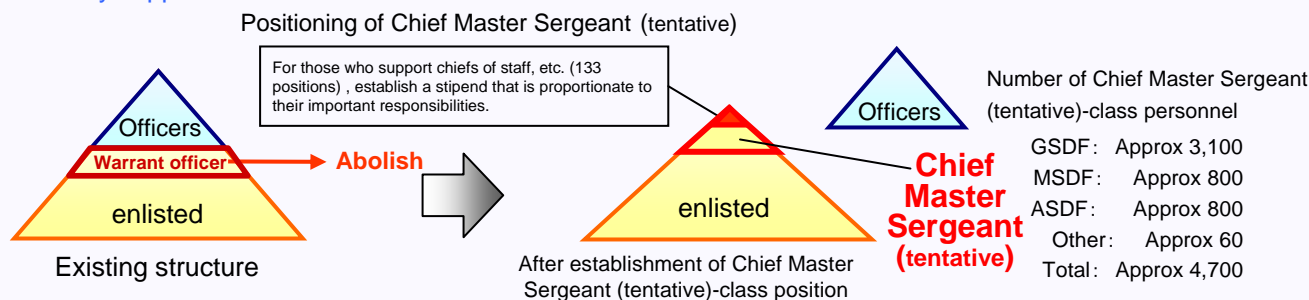
- The MOD will work together with the relevant ministries and agencies aiming to promote the conversion of MOD-developed aircrafts for private-sector use. The MOD will consider the calculation method of the user fee, the disclosure of documents on MOD's technologies, and the procedures related to their use.

# 6 Enhancement of Human Resources Base and Medical Measures

Streamline the base of human resources in response to a new environment, develop a work condition environment where personnel can focus on their work without anxiety, and enhance various medical measures.

## Streamlining of the Base of Human Resources in Response to New Environment

- Newly establish Chief Master Sergeant (tentative)-class rank MOD reform related measure (\*)
  - To further revitalize the enlisted-class of the SDF, the warrant officer rank will be abolished and new Chief Master Sergeant (tentative)-class ranks (the most senior rank among enlisted) will be established who directly support commanders and chiefs of staff



- Differentiated payroll system between officers and enlisted personnel MOD reform related measure
  - Officers and enlisted will be clearly separated by clarifying the roles of the former and the latter, and a new payroll system for enlisted personnel in which steeper wage differentials will be established to correspond with the responsibilities of each class.

\* The establishment of Chief Master Sergeant (tentative)-class positions and the introduction of a differentiated payroll system is scheduled to take place on January 1, 2012.

\* This measure will be implemented as part of a set of measures which have been considered as a package, together with the review of the age composition, etc.

## Development of Environments Conducive to Work

- Enhancement of mental health care
  - 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. Clinical psychologists or others will be posted at places of work. Outside counselors, among others, will also be invited.
- Family support measures for dispatch for international peace operations, etc.
  - Establishing an environment in which SDF personnel can devote themselves to their duties with peace of mind in such missions as international peace cooperation activities by promoting, on a daily basis communication between the unit and dispatching personnel's family members.



Communication between personnel and their families (explanation of the SDF unit)

## Various Medical Measures

- Maintenance and improvement of medical techniques of medical officers and contribution to regional medical service.
  - Rebuild Sapporo District Hospital
  - Open Hanshin Hospital to the public
  - Maintain medical equipment of SDF hospitals, etc.
- Enhancement of medical functions
  - Enhancement of air evacuation equipment (repost)
  - Development of personal portable first aid kit
  - Develop system for field surgical operation



Personal portable first aid kit

- Establishment of a nursing faculty four-year program (see p.15)

MOD reform related measure

\* MOD reform related measure : A series of measures which are being considered within the MOD based on the Directions of the Minister of Defense on the Reform of the Ministry of Defense (June 3, 2010) to secure the trust of the Japanese people and to ensure that the MOD and SDF can appropriately carry out their entrusted duties.

# 7 Restructuring and Organizational Changes

## Restructuring Programs

### ■ Changes in SDF personnel numbers, etc. due to reorganization of units, etc.

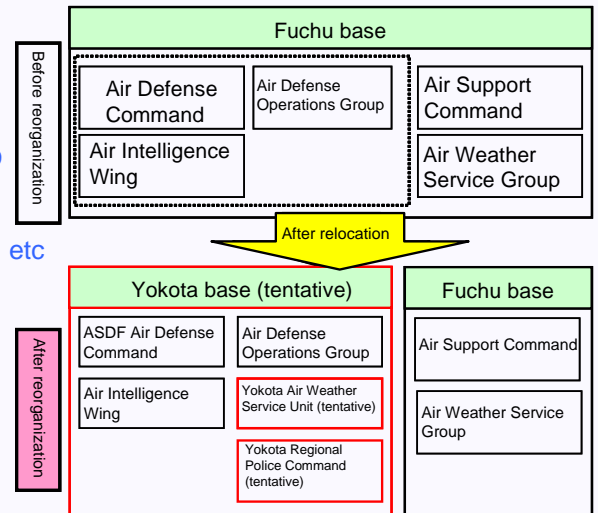
- Improve reconnaissance functions in southwestern region, etc
- Relocate ASDF Air Defense Command to Yokota Air Base (tentative), etc.
- Newly establish ASDF Air Defense Vice Commander (tentative) position
- Newly establish camp Tokushima (tentative)

### ■ Increase SDF manning

- Increase the manning of GSDF units, etc. responsible for the defense of the southwestern region and the Tokyo Metropolitan area

### ■ Newly establish senior petty officer (tentative)-class position (reposted)

- To further revitalize the petty officer-class SDF, the warrant officer position will be abolished and new Chief Master Sergeant (tentative)-class positions (the most senior position among enlisted) will be established who will directly support the commanders and chief of staff



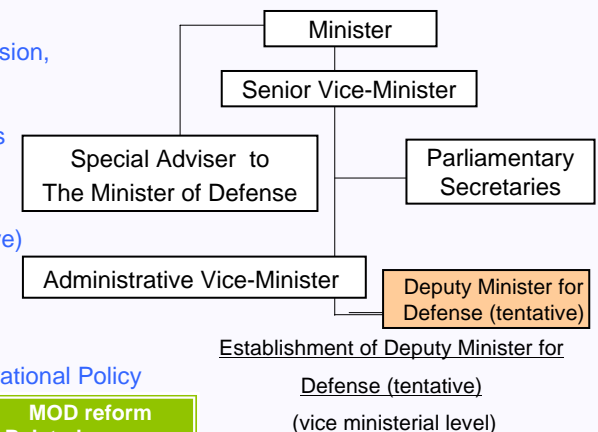
□ The red box indicates new established units, etc.  
Relocation of ASDF Air Defense Command to Yokota Air Base (tentative), etc.

MOD reform  
Related measure

## Organizational Changes

### ■ Organizational changes for strengthening the defense policy planning function

- To appropriately respond to vital issues of the MOD and to enhance the support system to the Minister of Defense, establish a Deputy Minister for Defense (tentative) (vice ministerial level) position responsible for overall organization of the MOD
- Structural enhancement for "deepening the Japan-U.S. alliance"
  - Drastically strengthen the Japan-U.S. Defense Cooperation Division, Bureau of Defense Policy
- Structural enhancement for the promotion of defense exchanges and security cooperation in Asia and independent initiatives for international peace cooperation activities, etc.
  - Newly establish an International Policy Planning Officer (tentative) position and a Capacity Building Assistance Office (tentative) in the International Policy Division, Bureau of Defense Policy
  - Newly establish an International Cooperation Officer (tentative) position in the International Operations Division, Bureau of Operational Policy
- Structural enhancement for the "promotion of MOD reforms"
  - To enhance the structure for improving defense build-up based on capability evaluation, newly establish a Defense Capabilities Planning Officer (tentative) position in the Planning and Programming Division, Bureau of Defense Policy



MOD reform  
Related measure

Establishment of Deputy Minister for Defense (tentative) (vice ministerial level)

# 8 Strengthening Education and Research

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

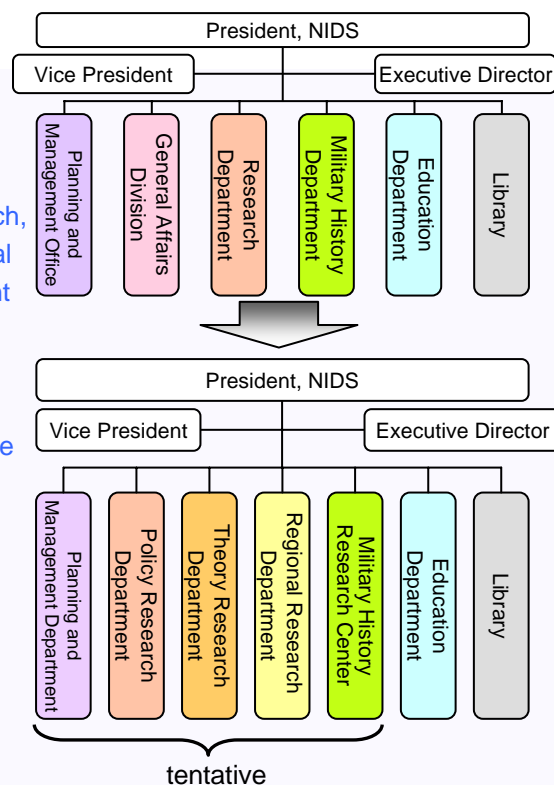
## The National Institute for Defense Studies

### ■ Enhance research function

- To enhance the planning and management function of research, combine the Planning and Management Office and the General Affairs Division into the Planning and Management Department (tentative)
- Restructure the Research Department into three departments
- Combine the Military History Department and the Library's administrative/reference offices to newly establish the Military History Research Center (tentative)

### ■ Advance research that is directly linked to policy

- Exchanges with European organizations for security studies



## National Defense Academy

### ■ Hold Rimland Pacific Superintendents' Conference (RPSC)

### ■ Promote studies at overseas military academies

- Short-term study at Indian National Defense Academy
- Extend dispatch period (2-3 weeks → 4 months)

### ■ Increase personnel for enhancement of education and research

- In the area of technology management, including optimization method, etc. for development of equipment
- In the area of network security to defend against cyber attacks (repost)



Rimland Pacific Superintendents' Conference

## National Defense Medical College

### ■ Establishment of a nursing faculty four-year program

MOD reform related measure

- To train highly qualified nurses capable of fully adapting to the diversification and internationalization of duties and the increasingly advanced and complex medical technologies, the Self-Defense Forces Central Hospital Nursing School three-year program and the National Defense Medical College Nursing School three-year program will be abolished. A nursing faculty four-year program (tentative) is expected to be newly established in FY2014 at the National Defense Medical College
- In FY2011, the necessary design and research for construction of school facilities will be carried out.



# 9 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 the Burden on Local Communities

- Relocation of US Marine Corps from Okinawa to Guam
  - Implementation of the “Mamizu” projects, etc.

Note: “Mamizu” projects are funded by Japanese direct cash contributions for the development of facilities, such as headquarters buildings.



Guam

- Realignment-related measures in Japan
  - Relocation of Futenma Air Station
  - Return of land south of Kadena Air Base
  - Return of portions of land, etc. at Sagami General Depot
  - Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni
  - Relocation of U.S. aviation training from Kadena Air Base, etc. to mainland Japan
  - Community development measures (realignment grant, etc.)



Futenma Air Station

Regarding measures for reducing the burden on local communities, from the standpoint of the importance of implementing the programs as early as possible, the results of the coordination meetings with the local communities and the U.S. forces, etc. during the budget formulation process need to be reflected in the budget. On this basis, the government will make such considerations during the budget formulation process and take the necessary measures. Therefore, the requested amount is tentatively set for the same amount as the previous year, ¥111.4 billion.

In addition to this amount, ¥2.9 billion is requested for the development of facilities, etc. related to reducing the burden on local communities.

## Measures for Maintaining Deterrent Capabilities

¥4.1 billion

- Relocation of the JGSDF Central Readiness Force to Camp Zama
- Relocation of the JASDF Air Defense Command to Yokota Air Base

\* The above amount includes the initial costs needed to produce, etc. equipment, etc.

## SACO-Related Cost

- Regarding items which were not subject to change under the Japan-U.S. 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 (tentatively set for the same amount as the previous fiscal year, ¥11.2 billion).



# 10 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 U.S. forces in Japan.

## Expenses related to programs for communities near bases

¥113.4 billion

Including Residential sound insulation : ¥40.2 billion  
Improvement of living environment of neighboring communities: ¥73.1 billion

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



Soundproof house

## Cost sharing for the stationing of U.S. forces in Japan

¥187.8 billion

Including  
Special Measures Agreement: ¥139.7 billion  
Facilities improvement: ¥21.0 billion  
USFJ employees measures, etc: ¥27.2 billion

- Expenses of the Special Measures Agreement to ensure the smooth and effective stationing of U.S. forces in Japan.
  - Cost sharing of wages of USFJ employees and utilities
  - Facilities improvement
  - Cost sharing of social insurance premiums, etc.



Barracks

Since the Special Measures Agreement Concerning Cost Sharing for the Stationing of U.S. Forces in Japan is set to expire at the end of JFY2010, the requested amount is a tentative figure based on the existing Special Measures Agreement. The Japanese and U.S. Governments agree to a comprehensive review before the existing Special Measures Agreement expires to establish a more efficient and effective cost sharing mechanism for the stationing of U.S. forces in Japan, and this will be reflected during the budget formulation process.

## Rental cost of facilities, compensation expenses, etc .

¥129.0 billion

- Rental cost of defense facility lands, compensation for loss of fishermen's income due to training exercises on water areas, etc.

# 11 Streamlining Initiatives

Various initiatives will be promoted to further rationalize and streamline equipment acquisition and ensure the greater fairness of procurement, as well as improve the efficiency of MOD's budget implementation to reflect the outcomes of the review of government programs and the review of ministry programs.

## Bulk Procurement of Equipment, etc

Regarding equipment which are procured every fiscal year, the government saved approximately ¥3.1 billion through the bulk procurement of major equipment which were expected to yield savings through one-time procurement.

[Major equipment which will be procured in bulk]

- NBC reconnaissance vehicle
  - Bulk procurement of four fiscal years' worth / 11 vehicles
- New helicopter for training (TH-480B)
  - Bulk procurement of three fiscal years' worth / 28 helicopters
- Enhancement of F-2 air-to-air combat capability
  - Bulk upgrades of three fiscal years' worth / radars for 36 aircrafts
- Replacement ammunition (rocket motor for AIM-7)
  - Bulk procurement of three fiscal years' worth



NBC reconnaissance vehicle



New helicopter for training (image)



F-2

## Streamlining Initiatives, etc.

- Program streamlining studies
  - Based on a study on the streamlining of SDF station and base programs, a pilot experiment will be prepared on the basis of a basic design of implementation measures.
  - The study group on contract systems will explore, together with external experts, systematic aspects of equipment acquisition contracts and systems for equipment procurement, from the standpoint of reducing equipment procurement costs. **MOD reform related measure**
- Study on maintenance arrangement using PBL\* method **MOD reform related measure**
  - In view of the introduction of PBL\* for the maintenance and development of equipment, PBL will be explored in detail, including cost effectiveness and problems arising during implementation, drawing on the opinions of external experts and overseas examples.
  - \* PBL(Performance Based Logistics): A type of contract entered into with a company, which provides that the government will pay performance based compensation, such as for the maintainability and safety of equipment, rather than compensation based on amount of maintenance work.
- 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: △1,208 personnel).



- Measures for preventing the reoccurrence of bid-rigging case involving office supplies, such as office furniture, at the ASDF First Supply Depot MOD reform related measure

Bearing in mind the studies to date on this case and its reoccurrence prevention measures, the following measures will be taken as part of the reoccurrence prevention measures:

- Thorough education
  - Strengthen compliance education, improve education materials, etc.
- Strengthen the check function
  - Strengthen the third-party monitoring function by expanding the studies of the Defense Procurement Council, etc.
  - Improve the analysis and monitoring function of contract data by newly establishing a Contract Information Analysis Officer (tentative) position
- Improve procurement method
  - Introduce private-sector tenders for the procurement of ASDF's office supplies (outsourcing of work), etc.

## Reflecting the Outcomes of “Project Screening”

Bearing in mind the outcomes of “Project Screening” by the Government Revitalization Unit, the MOD reduced its FY2010 budget allocations by ¥16.8 billion (expenditure basis) from its budget request. Furthermore, the MOD has decided to carry out studies which will contribute to the future development of Japan's efficient and effective defense capabilities. The ongoing major programs are as follows:

\*(note) Items in parentheses mentioned hereafter are pointed out in the review of government programs.

- SDF PR activities (outsourcing to private sector, collection of entrance fees at the PR facilities)

Regarding large-scale PR facilities, verifications on the collection of entrance fees are expected to be carried out.

- Specified defense facilities environs improvement adjustment grants  
(Review to enhance the effectiveness of grants by improving flexibility in the use of grants and making the grants more convenient for local communities)

A bill has been submitted to the Diet to partially revise the Law concerning Adjustment, etc. of the Living Environment in the Environs of Defense Facilities, with an aim to specify so-called soft projects in addition to improvement of public facilities, as part of projects covered by specified defense facilities environs improvement adjustment grants. .

- Educational institution to contribute to international peace
  - Plans to develop a new facility were abolished
  - As of the end of FY2009, the Center is located within the Joint Staff College in the MOD Meguro Area.
  - Educational programs are expected to begin in FY2011
- Streamline personnel expenses by increasing the proportion of younger SDF (review)  
Carry out studies on the organizational composition of the SDF to ensure a continuous and stable supply of high-quality human resources

Reflecting the Outcomes of “Administrative Project Review”

Through a process that was open to the public, the MOD received opinions and pointers on the status of its individual programs and the issues facing them. In addition, as a concrete vision was outlined on how the MOD should proceed with the review and studies, the MOD will use this as an index in developing the improvement measures for the programs reviewed as well as similar programs. As a result, a total of ¥9.7 billion (expenditure basis) is reflected in the budget request.

■ Programs reviewed by the MOD

- The MOD reviewed 481 programs for which funds were allocated in FY2009.

■ Review of MOD programs which were open to the public

- Of the programs reviewed by the MOD, the review of 17 programs was open to the public. As a result, 4 programs were deemed as needing drastic improvements and 13 programs were deemed as needing partial improvements.

○ Programs deemed as needing drastic improvements

- Education and training stipend
- Cost of outsourcing SDF recruitment work to local public organizations
- Special rental housing
- Establishment of Defense Information Infrastructure (DII)

○ Programs deemed as needing partial improvements

- Aircraft: (Transport helicopter) CH-47JA
- Missile: Upgrading of Patriot system
- Medical service costs
- Enhancement of government buildings, etc.

- Regarding programs not reviewed in public, MOD's budget monitoring and streamlining team compiled a list of comments on each and every program, bearing in mind the opinions of external experts.

**Major equipment, etc.**



# 1. Major Equipment

Procurement type			FY2010 Number procured	FY2011	
				Number procured	Amount (¥100 million)
Aircraft	GSDF	Multi-purpose helicopter (UH-60JA)	3	3	94
		Transport helicopter (CH-47JA)	1	1	61
		Combat helicopter (AH-64D)	—	1	54
		Next helicopter trainer (TH-480B)	1	28	67
		Observation helicopter (OH-1)	4	—	—
	MSDF	Fixed-wing patrol aircraft (P-1)	1	3	551
		Patrol helicopter (SH-60K)	3	4	233
		Minesweeping and transport helicopter (MCH-101)	—	2	132
		Primary trainer (T-5)	4	5	12
		Helicopter trainer (TH-135)	3	2	14
		Life extension of fixed-wing patrol aircraft (P-3C)	—	(1)	6
		Life extension of patrol helicopter (SH-60J)	—	(2)	13
	ASDF	Modernization of fighter (F-15)	(2)	(8)	114
		Improvement of self-defense capability of fighter (F-15)	(2)	(2)	48
		Improvement of air-to-air combat capability of fighter (F-2)	(1) (4)	(3) (36)	104
		Addition of JDAM function to fighter (F-2)	( — ) (35)	(12) ( — )	21
		Next-generation transport aircraft (C-2 [tentative])	—	2	384
		Transport helicopter (CH-47J)	1	—	—
		Next-generation rescue helicopter (UH-X)	—	3	169
		Improvement of radar function of early warning and control aircraft (E-767)	(3)	—	—
		Improvement of early warning aircraft (E-2C)	(1)	—	—
		Destroyer (DDH)	1	—	—
Vessel	MSDF	Submarine (SS)	1	1	557
		Minesweeper (MSC)	—	1	163
		Life extension of Hatsuyuki class destroyer	—	(1)	7
		Life extension of Asagiri class destroyer	—	(1) (3)	88
		Life extension of Towada class supply vessel	—	(1)	12
		Function improvement of short-range SAM system on Murasame class destroyer	(1)	—	—
		Measures related to life extension of air-cushion vehicle	—	—	1

Procurement type			FY2010 Number procured	FY2011	
				Number procured	Amount (¥100 million)
Missile	GSDF	Type-03 medium-range surface-to-air missile	1 squadron	1 squadron	217
		Short-range SAM (Rev. II)	—	1 set	26
		Type-96 multi-purpose missile system	1 set	4 sets	49
		Medium range multi-purpose missile	13 sets	12 sets	49
	ASDF	Surface-to-air missile (Patriot [excluding PAC-3])	¥8.2 billion	—	93
		Upgrading of patriot system	(6 sets)	—	—
		Base air defense SAM	—	1 set for educational purposes	15
Firearm, vehicle, etc.	GSDF	9mm gun	1,004	137	0.3
		Type-89 rifle	10,012	10,033	30
		Anti-personnel sniper rifle	105	91	1
		5.56mm machine gun MINIMI	195	265	5
		12.7mm heavy machine gun	123	118	7
		81mm mortar L16	5	5	1
		120mm mortar RT	4	4	2
		Type-99 155mm self-propelled new howitzer	9	8	76
		Type-10 tank	13	16	161
		Light armored mobile vehicle	93	107	32
		Type-96 wheeled armored vehicle	17	11	13
		Type-87 reconnaissance and patrol vehicle	3	1	3
		NBC reconnaissance vehicle	3	11	71
		Vehicle, communications equipment, facility equipment, etc.	¥76.5 billion	—	753
	ASDF	Light armored mobile vehicles	26	9	3
BMD	ASDF	Upgrading of patriot system	—	(1 set) (1 set for regular repair)	211

## Notes

- 1) Prices represent amounts excluding initial expenses needed for the production of equipment, etc.
- 2) Number procured: The number that is newly contracted in FY2011. (The amount of time for acquiring the item varies by equipment; between two to five years.)
- 3) The number in the parentheses ( ) in the number procured column represents the number relating to the or upgrading of existing commissioned equipment. As regards the number procured for the improvement of F-2 air-to-air combat capability, addition of JDAM function to F-2, and life extension of Asagiri class destroyer, the upper figure represents the number of aircrafts and vessel modified, while the lower figure represents the number of equipments with improved capabilities.
- 4) The price of the surface-to-air missile (Patriot) represents the expenses needed for the maintenance/deployment of missiles for firing.
- 5) Regular repair: Spare equipment for carrying out repairs at regular intervals.

## 2 Major Research and Development

	Item	Overview	FY2011
			Amount (¥ billion)
New	Development of new multi-purpose helicopter	Development of new multi-purpose helicopter to replace the existing UH-1J helicopters used by the GSDF, which will be made available to division and brigade squadrons and helicopter units of the regional armies for use in various missions, such as airmobile operations and air transportation.	3.6
	Development of (improved) type-04 air-to-air missile	Development of advanced capability type-04 air-to-air missile for close-range combat to be carried by fighters (F-15).	1.7
	Research on integrated antenna system	Research on integrated radio system which can be applied to a vessel's upper structure, such as the low RCS* mast, by integrating and flattening the electronic warfare and above water radar functions and sharing aperture, to enhance survivability of next-generation destroyers. * RCS : Radar Cross Section	2.6
	Research on sonar system for destroyer	To ensure a comparative advantage over submarines which have enhanced quietness and improved stealth capabilities, research on expanding the bandwidth of the bow sonar and towed-type sonar and on improving the anti-submarine search capabilities through bi-/multi-static tactics with heterogeneous sensors and heterogeneous vehicles.	2.4
	Research on future radar method	Research on radar method that has superior performance with respect to the detection and tracking of stealth aircrafts and theater ballistic missiles, maneuverability, resilience, and economic performance, which will be demanded by future warning and control radars.	2.3
	Research on RCS evaluation method	Research on outdoor measurement and evaluation method of the radar cross section (RCS) of small aircrafts, etc., aimed at contributing to evaluating the anti radiation detection capability of small aircrafts, vessels, vehicles, etc. and improving the residual performance of future fighter aircrafts, etc.	2.6
Continuation	Development of (improved) type-03 medium range surface-to-air missile	Development of (improved) type-03 medium range surface-to-air missile with advanced capability to respond to cruise missile and air-to-surface missile attacks, expanded area of protection, and reduced acquisition cost.	17.0
	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.	13.5

# 3 Changes in Number of Personnel

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

	End of FY2010	End of FY2011	Increase/ decrease
GSDF	160,120	160,121	1
Regular personnel	151,641	151,702	61
Ready reserve personnel	8,479	8,419	△60
MSDF	45,518	45,518	0
ASDF	47,123	47,211	88
Joint Units	1,198	1,227	29
Joint Staff	359	364	5
Defense Intelligence Headquarters	1,907	1,911	4
Total	247,746 (256,225)	247,933 (256,352)	187 (127)

Notes  
1) 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.  
2) Figures for end of FY2010 are budget figures.

■ Number of SDF personnel (yearly average) (Unit: Person)

	GSDF	MSDF	ASDF
Yearly average	141, 913	41, 940	43, 254

■ 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 FY2010	End of FY2011	Increase/ decrease
Number of candidates for SDF reserve personnel	4, 600	4, 600	0





## **Defense-related expenses**

# 1. Overall Defense-related Expenses

[ Expenditures (classified into three categories by expenses) ]

(Unit: ¥ billion)

	FY2010		FY2011 Requests for general budget + special budget allocations	
		YR/YR		YR/YR
Defense-Related Expenditures	4, 6 8 2. 6	△ 2 0. 2 [△ 0. 4 %]	4, 7 1 2. 3	2 9. 8 [ 0. 6 %]
Personnel and Provisions Expenses	2, 0 8 5. 0 ( 4 4. 5 %)	7. 8 [ 0. 4 %]	2, 1 1 5. 6 ( 4 4. 9 %)	3 0. 6 [ 1. 5 %]
Material Expenses	2, 5 9 7. 5	△ 2 7. 9 [△ 1. 1 %]	2, 5 9 6. 7	△ 0. 8 [△ 0. 0 %]
Obligatory Outlay Expenses	△ 2 3. 5 1, 6 7 5. 0 ( 3 5. 8 %)	△ 1 6. 0 [△ 0. 9 %]	△ 2 2. 9 1, 6 5 4. 4 ( 3 5. 1 %)	△ 2 0. 6 [△ 1. 2 %]
General Material Expenses	9 2 2. 5 ( 1 9. 7 %)	△ 1 1. 9 [△ 1. 3 %]	9 4 2. 3 ( 2 0. 0 %)	1 9. 8 [ 2. 1 %]

Comments

1) Exchange rate for FY2011: 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) In addition to the above-mentioned defense-related expenditures, the SACO-related expenses are ¥16.9 billion for FY2010 and ¥16.9 billion for FY2011 (tentatively the same amount as FY2010), and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are ¥90.9 billion for FY2010 and ¥90.9 billion for FY2011 (tentatively the same amount as FY2010). Therefore, the total is ¥4,790.3 billion for FY2010 (△¥16.2 billion, △0.3% yr/yr) and ¥4,820.1 billion for FY2011 (¥29.8 billion, 0.6% yr/yr).

5) Figures may not add to the totals due to rounding, hereinafter the same.

6) In FY2011, ¥475.5 billion (personnel and provisions ¥30.0 million; obligation outlay expenses ¥196.4 billion; general material expenses ¥279.0 billion) are requested for the special budget allocations.

[ Future Obligation Concerning New Contracts ]

(Unit: ¥ billion)

	FY2010		FY2011 General budget request	
		YR/YR		YR/YR
Future Obligation Concerning New Contracts	1, 6 6 2. 3	△ 3 6. 7 [△ 2. 2 %]	1, 7 9 6. 5	1 3 4. 2 [ 8. 1 %]

Note: In addition to the above-mentioned future obligation concerning new contracts, the SACO-related expenses are ¥5.8 billion for FY2010 and ¥5.8 billion for FY2011 (tentatively the same amount as FY2010), and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are ¥32.1 billion for FY2010 and ¥32.1 billion for FY2011 (tentatively the same amount as FY2010). Therefore, the total future obligation concerning new contracts is ¥1,700.2 billion for FY2010 (△¥45.8 billion, △2.6% yr/yr) and ¥1,834.5 billion for FY2011 (△¥134.2 billion, △7.9% 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 FY2011, in accordance with contracts made before FY2010.
General material expenses	Expense of payments made in FY2011, in accordance with contracts made in FY2011.

## 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.

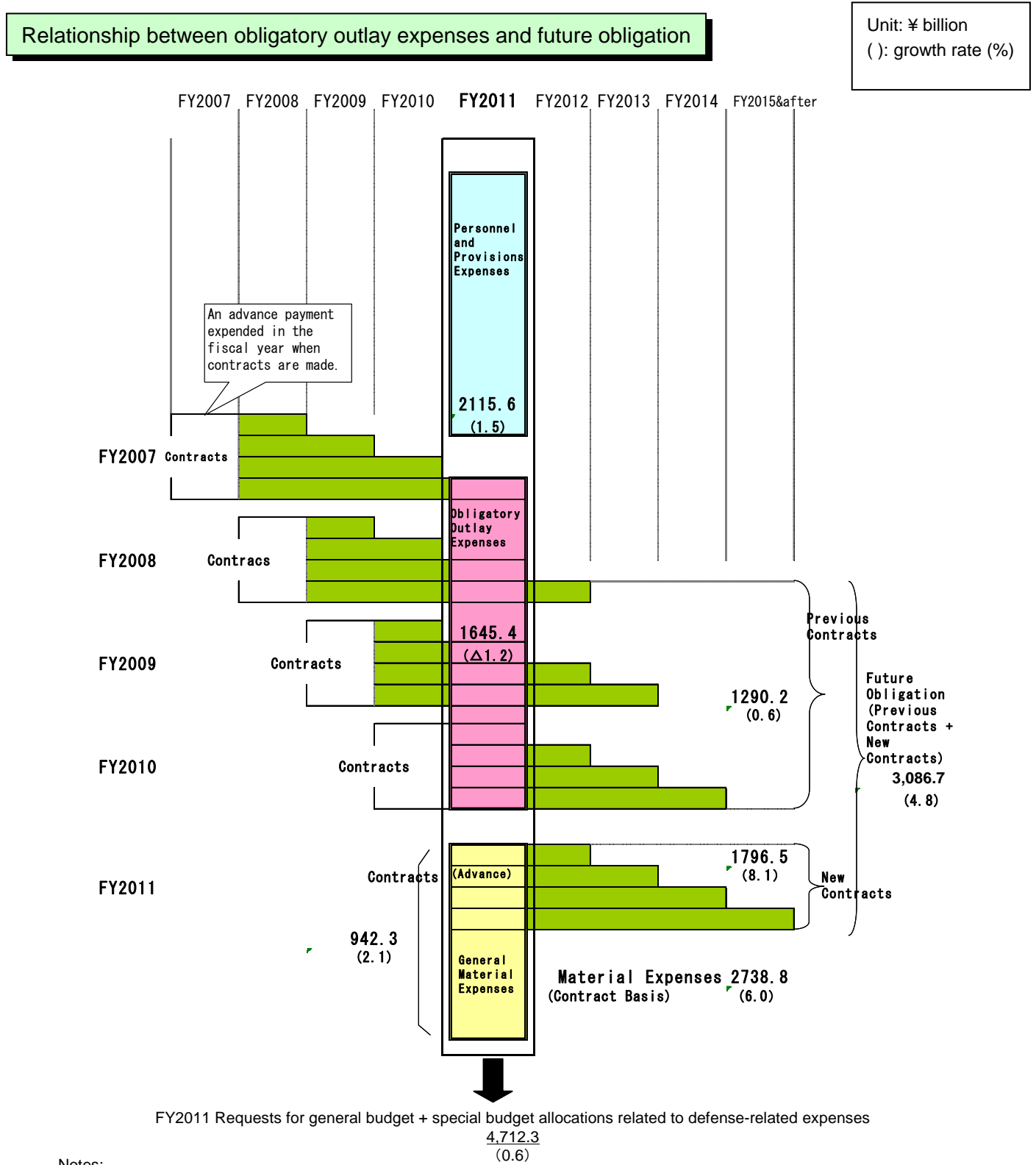
Ex: ¥10 billion worth of equipment is procured under a four-year contract.

FY2011	FY2012	FY2013	FY2014
<div>Contract</div> Partial payment (¥1 billion) General material expense	Partial payment (¥1 billion) Obligatory outlay expense	Partial payment (¥2 billion) Obligatory outlay expense	<div>Delivery</div> Balance payment (¥6 billion) Obligatory outlay expense

Future obligation (¥9 billion)

Contract amount (¥10 billion)

1. Overall Defense-related Expenses



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 chart.
- 2) This chart is an image. The length of a box does not necessarily represent the actual amount of the expenses.
- 3) In FY2011, ¥475.5 billion (personnel and provisions ¥30.0 million; obligation outlay expenses ¥196.4 billion; general material expenses ¥279.0 billion) are requested for the special budget allocations.

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

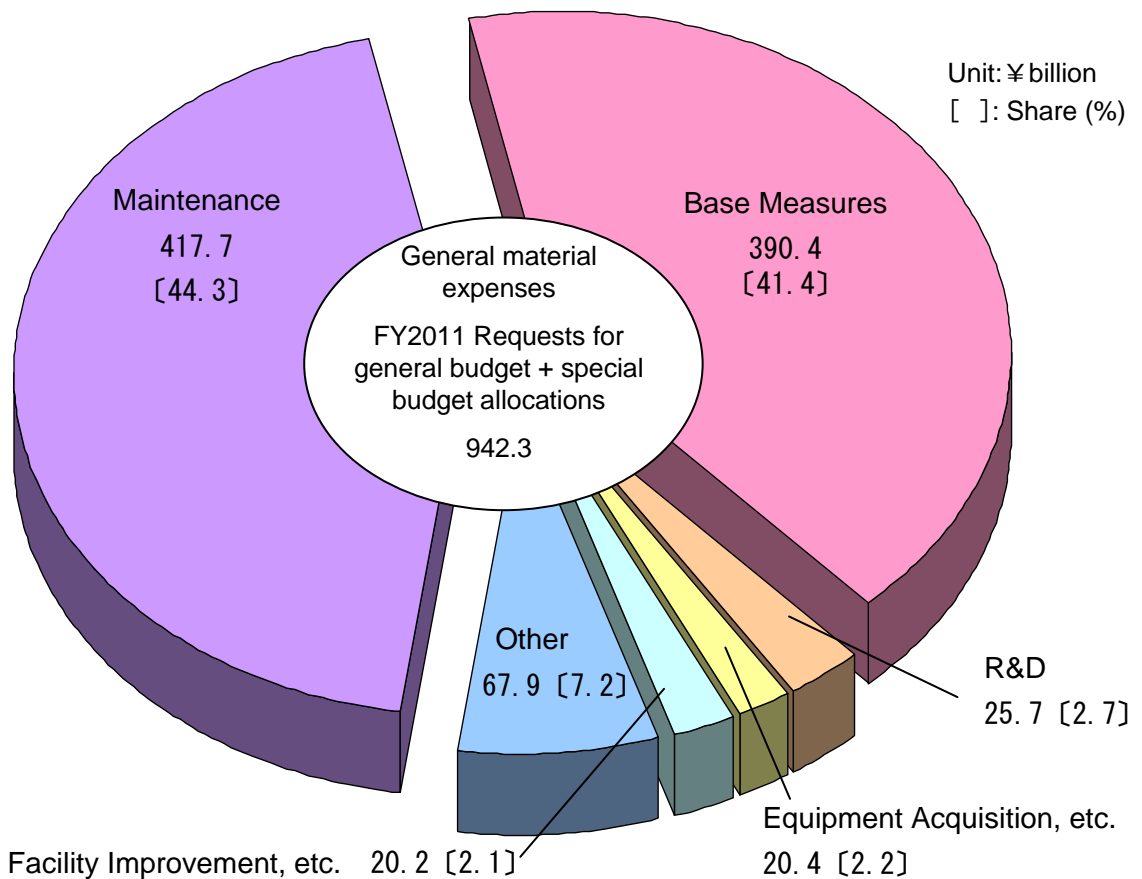
2,738.8 = 942.3 + 1,796.5

(a constituent of Obligation Outlay Expenses (FY2012~))

Material Expenses (Expenditure Basis)=General Material Expenses+Obligation Outlay Expenses (FY2011)

2,596.7 = 942.3 + 1,654.4

## 2. General Material Expenses



[ Details of General Material Expenses ]

(Unit: ¥ billion)

Classification	FY2010	FY2011 Requests for general budget + special budget allocations	YR/YR
Maintenance	401.3	417.7	16.5
▪ Petrol	84.1	98.9	14.8
▪ Repair	175.9	174.9	△1.0
▪ Education & Training	26.7	27.2	0.5
▪ Medical Care	23.9	24.3	0.4
▪ Utilities	90.7	92.4	1.7
Base Measures	388.1	390.4	2.2
▪ Community Grants	88.0	91.5	3.5
▪ Host Nation Support	170.6	170.0	△0.7
▪ Rent, Compensation costs	129.5	128.8	△0.6
R&D	26.2	25.7	△0.5
Equipment Acquisition	19.8	20.4	0.6
Facility Improvement	22.4	20.2	△2.1
Others	64.7	67.9	3.2
<b>Total</b>	<b>922.5</b>	<b>942.3</b>	<b>19.8</b>

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) In FY2011, ¥279.0 billion are requested for the special budget allocations.

### 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	FY2010	FY2011 Requests for general budget + special budget allocations	FY/FY
Maintenance	1, 0 9 8. 7	1, 1 1 7. 2	1 8. 5
Petrol	8 4. 1	9 8. 9	1 4. 8
Repair	8 4 0. 1	8 3 5. 0	△ 5. 1
Education & Training	1 7 4. 5	1 8 3. 3	8. 7
Base Measures	4 3 4. 6	4 3 0. 2	△ 4. 4
R&D	1 2 6. 6	1 4 6. 0	1 9. 4
Equipment Acquisition	4 8 4. 5	5 1 0. 8	2 6. 3
Aircraft Acquisition	7 0. 9	2 4 7. 4	1 7 6. 5
Shipbuilding	1 7 6. 2	7 7. 7	△ 9 8. 6
Facility Improvement	1 1 6. 7	1 1 3. 0	△ 3. 7
Others	7 6. 5	9 6. 6	2 0. 1
Total	2, 5 8 4. 8	2, 7 3 8. 8	1 5 4. 0

Notes:

1) 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.

2) In FY2011, ¥279.0 billion for general material expenses are requested for the special budget allocations.

(Reference) Details of Future Obligation Concerning New Contracts

(Unit: ¥ billion)

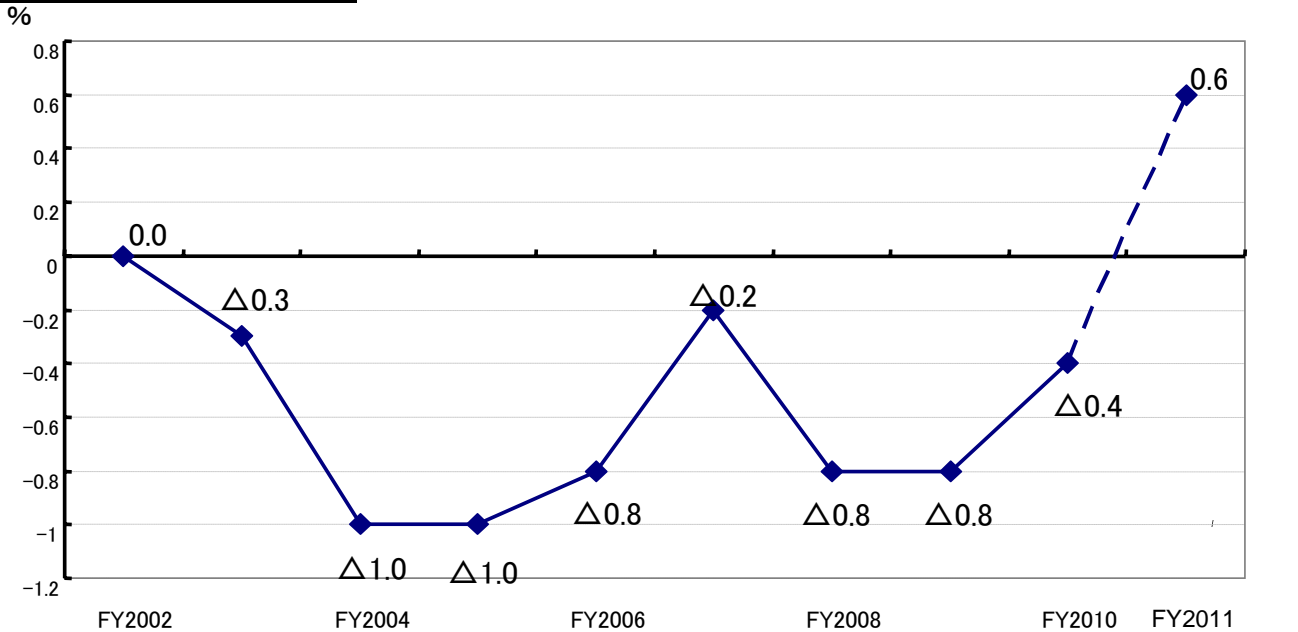
Classification	FY2010	FY2011 General budget request	FY/FY
Maintenance	6 9 7. 5	6 9 3. 2	△ 4. 3
Repair	6 6 4. 2	6 6 0. 1	△ 4. 1
Education & Training	3 3. 3	3 3. 1	△ 0. 2
Base Measures	4 6. 5	3 9. 9	△ 6. 6
R&D	1 0 0. 4	1 2 0. 3	1 9. 9
Equipment Acquisition	4 6 6. 4	4 9 2. 3	2 6. 0
Aircraft Acquisition	7 0. 8	2 4 6. 5	1 7 5. 7
Shipbuilding	1 7 4. 6	7 6. 6	△ 9 8. 1
Facility Improvement	9 4. 3	9 2. 8	△ 1. 5
Others	1 1. 7	3 4. 9	2 3. 1
Total	1, 6 6 2. 3	1, 7 9 6. 5	1 3 4. 2

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.



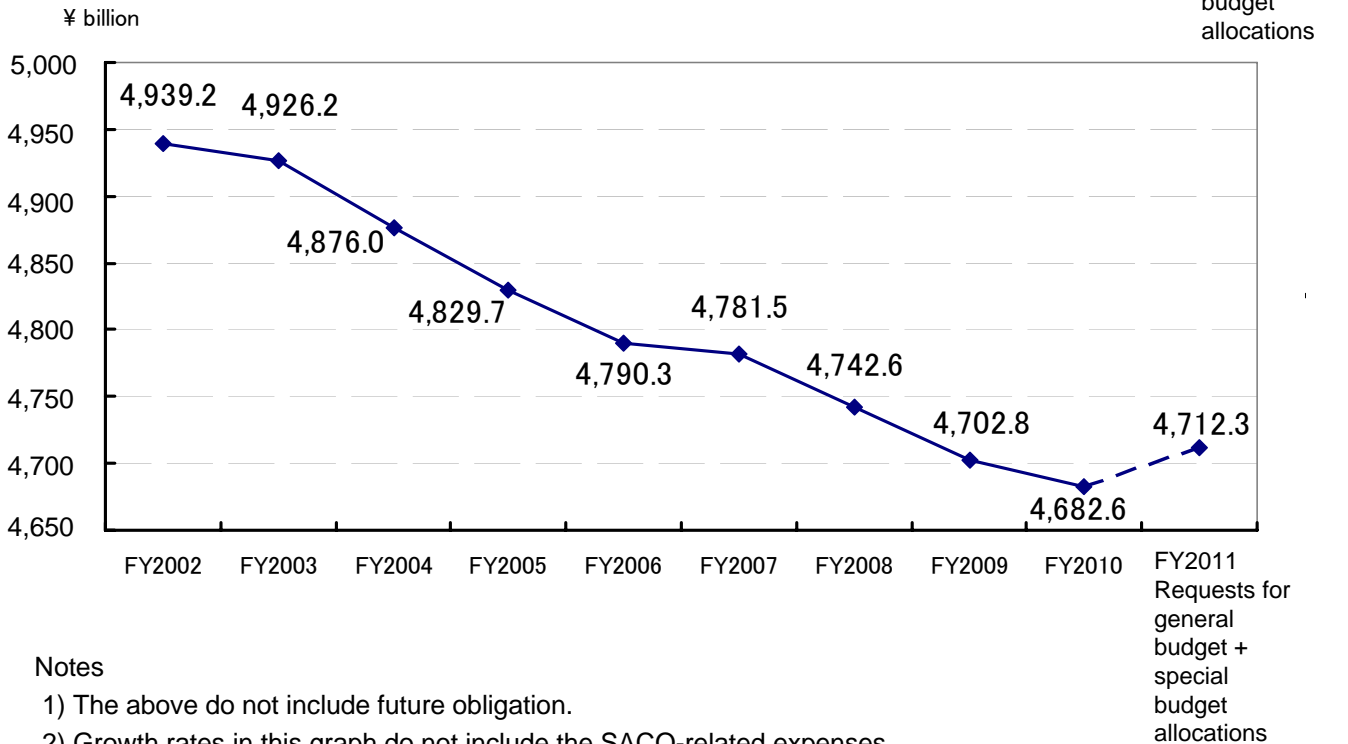
## (Reference) Trends in defense-related expenses

## Changes of growth rates



## Changes of defense-related expenditures

## Defense-related expenditures



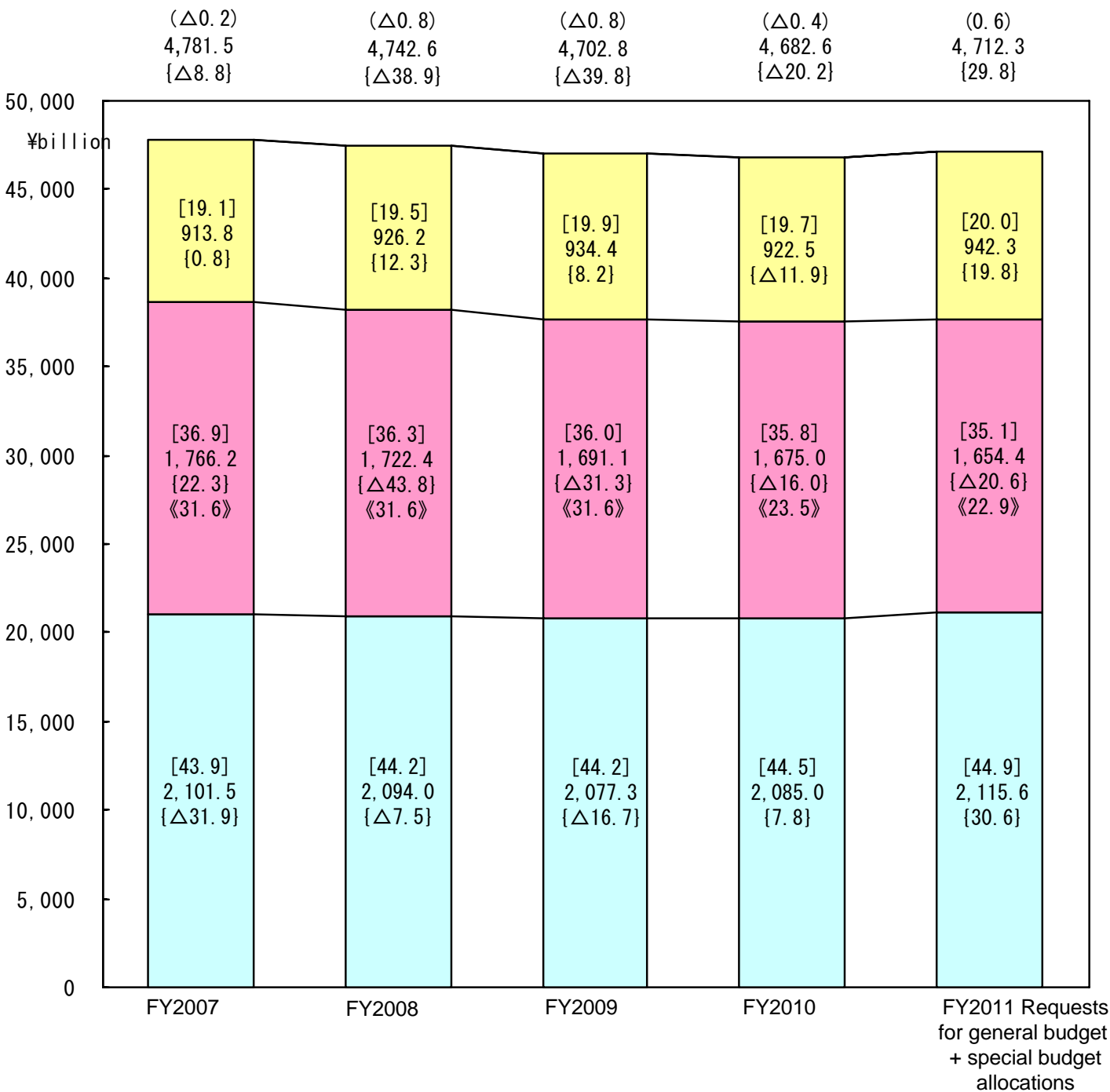
## Notes

- 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 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, ¥16.9 billion for FY2011's general budget request (tentatively the same amount  
 as 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, ¥90.9 billion for FY2011's general budget request (tentatively the same amount as FY2010).
- 3) In FY2011, ¥475.5 billion are requested for the special budget allocations.

Changes of three categories

General Material Expenses
Obligation Outlay Expenses
Personnel and Provisions Expenses

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



Notes: 1) 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.  
2) In FY2011, ¥475.5 billion (personnel and provisions ¥30.0 million; obligation outlay expenses ¥196.4 billion; general material expenses ¥279.0 billion) are requested for the special budget allocations.

## Breakdown by organization

(Unit: ¥ billion, %)

Classification	FY2010	FY2011 Requests for general budget + special budget allocations	YR/YR	Growth rate
Defense-related expense	4, 6 8 2. 6	4, 7 1 2. 3	2 9. 8	0. 6
Ministry of Defense	4, 6 8 2. 6	4, 7 1 2. 3	2 9. 8	0. 6
(Ministry of Defense, excluding local branch bureaus and departments)	4, 6 6 4. 0	4, 6 9 3. 3	2 9. 3	0. 6
GSDF	1, 7 4 3. 9	1, 7 9 0. 7	4 6. 7	2. 7
MSDF	1, 0 5 2. 2	1 1 1. 1	5 8. 7	5. 6
ASDF	1, 0 8 7. 3	1, 0 7 3. 2	△ 1 4. 1	△ 1. 3
Total	3, 8 8 3. 5	3, 9 7 4. 9	9 1. 4	2. 4
Internal Bureau	4 8 1. 1	4 9 0. 4	9. 2	1. 9
Joint Staff	2 6	2 4. 0	△ 2. 0	△ 7. 8
Defense Intelligence Headquarters	5 9. 2	5 3. 4	△ 5. 7	△ 9. 7
National Defense Academy	1 4. 7	1 5. 0	0. 3	1. 8
National Defense Medical College	2 0	2 1. 1	1. 1	5. 4
National Institute for Defense Studies	1. 6	1. 6	0. 0	1. 1
Technical Research and Development Institute	1 7 0. 4	1 0 5. 0	△ 6 5. 5	△ 3 8. 4
Equipment Procurement and Construction Office	7. 1	7. 6	0. 5	7. 3
Inspector General's Office of Legal Compliance	0. 4	0. 4	0. 0	2. 8
Total	7 8 0. 5	7 1 8. 4	△ 6 2. 1	△ 8. 0
(Regional Defense Bureaus)	1 8. 5	1 9. 0	0. 5	2. 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 table.

# Promotion of base measures, etc.

(Unit: ¥billion, %)

Classification	FY2010	FY2011 Requests for general budget + special budget allocations	YR/YR	Growth rate	Notes
Promotion of base measures	< 434.6 > 436.5	< 430.2 > 436.3	< Δ 4.4 > Δ 0.2	< Δ 1.0 > 0.0	
(1) Expenses related to measures for communities near bases	< 117.6 > 117.9	< 113.4 > 120.9	< Δ 4.3 > 3.1	< Δ 3.6 > 2.6	
Residential sound insulation	37.0	40.2	3.2	8.7	Subsidies to finance residential sound insulation construction near air bases
Improvement of living conditions of neighboring communities	< 80.6 > 80.8	< 73.1 > 80.7	< Δ 7.5 > Δ 0.2	< Δ 9.3 > Δ 0.2	Subsidies to finance the maintenance of living environment and facilities (river and road restoration, sound-proofing systems in schools, garbage processing facility, etc.)
(2) Cost sharing for the stationing of US forces in Japan	< 186.9 > 188.1	< 187.8 > 185.9	< Δ 0.9 > Δ 2.2	< Δ 0.5 > Δ 1.1	
Special Measures Agreement	139.5	139.7	0.2	0.1	
Labor cost	114.0	114.2	0.2	0.1	Bear salary expenses of US forces personnel in Japan
Utilities cost	24.9	24.9	0.0	0.0	Bear cost of utilities used at facilities of US forces in Japan
Training relocation expenses	0.5	0.5	Δ 0.0	Δ 0.0	Bear expenses related to US field- carrier landing practices on Iwo Jima
Facilities improvement	< 19.5 > 20.6	< 21.0 > 19.0	< Δ 1.5 > Δ 1.6	< Δ 7.6 > Δ 7.7	Improvement of facilities of US forces in Japan (barracks, etc.)
Measures for base personnel, etc.	27.9	27.2	Δ 0.7	Δ 2.6	Bear expenses related to social security contributions of employers
(3) Rental cost of facilities, compensation expenses, etc.	< 130.1 > 130.5	< 129.0 > 129.5	< Δ 1.0 > Δ 1.1	< Δ 0.8 > Δ 0.8	Rental cost of defense facility lands and compensation for loss of fishermen's income, etc.

## Notes

1) The figures are expenditure-based (general material expenses + obligatory outlay expenses), and the figures within < > are contract-based (general material expenses + future obligation concerning new contracts).

2) In FY2011, ¥185.9 billion (expenditure-based) and ¥170.0 billion in general material expenses (contract-based) are requested for the special budget allocations.

This is a provisional translation for reference purpose only.  
The original text is in Japanese.



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5-1 Ichigaya-honmuracho, Shinjuku-ku,  
Tokyo 162-8801  
TEL: 03(3268)3111  
URL: <http://www.mod.go.jp>