

# Defense Programs and Budget of Japan

Overview of FY2011 Budget



Ministry of Defense

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

# Defense and Budget of Japan

## Overview of FY2011 Budget

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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

1. As the first year of the defense capability enhancement based on "The National Defense Program Guidelines for FY 2011 and beyond" (approved by the Cabinet on December 17, 2010) and the "Mid-Term Defense Program (FY2011~FY2015)" (approved by the Cabinet on December 17, 2010), defense capabilities steadily increased in order to build Dynamic Defense Force.
2. In accordance with the above, the following new roles of the defense capability will be
  - Effective deterrence and response
  - Further stabilization of the security environment within the Asia Pacific region
  - Improvement of the global security environment

Emphasis will be placed on the functions applicable to a wide variety of operations, functions that have asymmetrical capability, functions that cannot be substituted, such functions as ISR, maritime patrol, air defense, response to ballistic missiles, transportation, and command control communications will be intensively built up, including the Southwestern region.

3. Amidst continuous fiscal austerity, resources will be selectively concentrated only on truly necessary functions and effective defense force will be efficiently developed through the assessment of the contents of each program.

# 1 Effective Deterrence and Response

\* Blue texts indicate new programs.

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

## 1) Information Gathering, Patrolling and Surveillance Activities

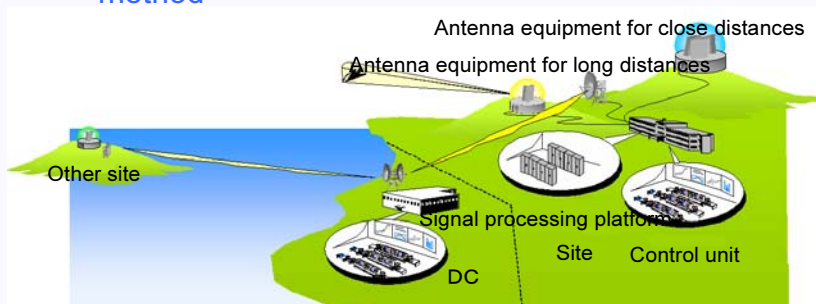
Japan will endeavor to enhance the patrolling and surveillance system to ensure the superior collection of information through information gathering and patrolling and surveillance activities.

### Reinforce Patrolling & Surveillance Capability

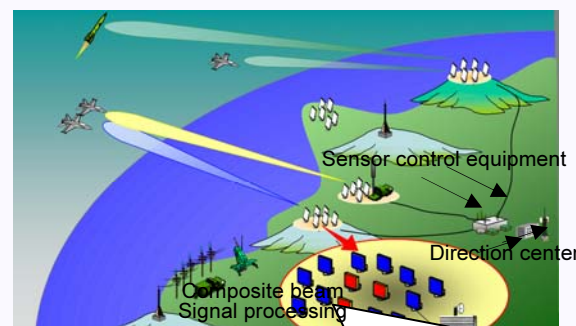


Soryu class submarine

- Building of submarine (SS) (1 ship: ¥54.6 billion)
  - 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)
- Research on increase in submarine numbers (study on the base of maintenance) (¥5 million)
- Life extension of destroyer (Life extension construction for 2 ships and parts procurement for 3 ships: ¥9.4 billion)
  - To maintain the destroyer fleet, implement life extension measures for Hatsuyuki and Asagiri class destroyers
- Acquisition of fixed wing patrol aircraft (P-1) (3 planes: ¥ 54.4 billion)
  - 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) (1 Plane: ¥600 million)
  - To maintain the fleet of fixed wing patrol aircraft, implement life extension measures for P-3C
- Mobilization of replacement warning and control radar equipment (system design) (¥300 million)
  - 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 (¥2.3 billion)
  - To improve the detection capability of stealth aircraft, carry out research on future radar method



Mobilization of warning and control radar equipment (system design)



A type of radar designed to improve detection capability by placing small antennas over a wide area.

Research on future radar method

### Studies on Unmanned Aircraft

- Overseas studies on the operation, maintenance, and development of high-altitude unmanned aircraft (¥1 million)

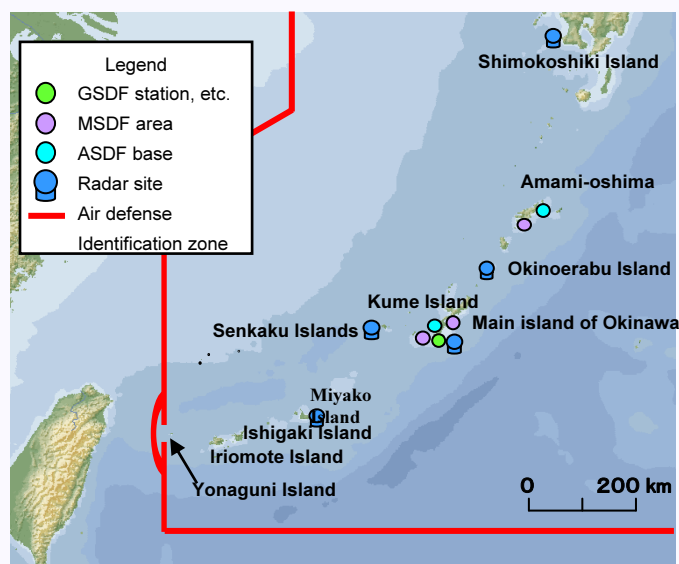
## 2) Response to Various Situations in the Offshore Islands

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.

### (1) Build-up of Intelligence Operation and Monitoring Operation

#### ■ 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. (¥30 million)
- 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. (¥60 million)



### (2) Improvement for Prompt Deployment and Response Capability

#### ■ 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 of next transport aircraft (C-2 [tentative]) (2 planes: ¥37.4 billion)

- The procurement of the C-2 (tentative) as a replacement for the existing C-1 in order to strengthen strategic transport capabilities and aggressively undertake international peace cooperation activities.

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 the transport helicopter (CH-47JA) (1 unit: ¥6 billion)

■ Deployment of multi-purpose helicopter (UH-60JA) (2 units: ¥6.1 billion)

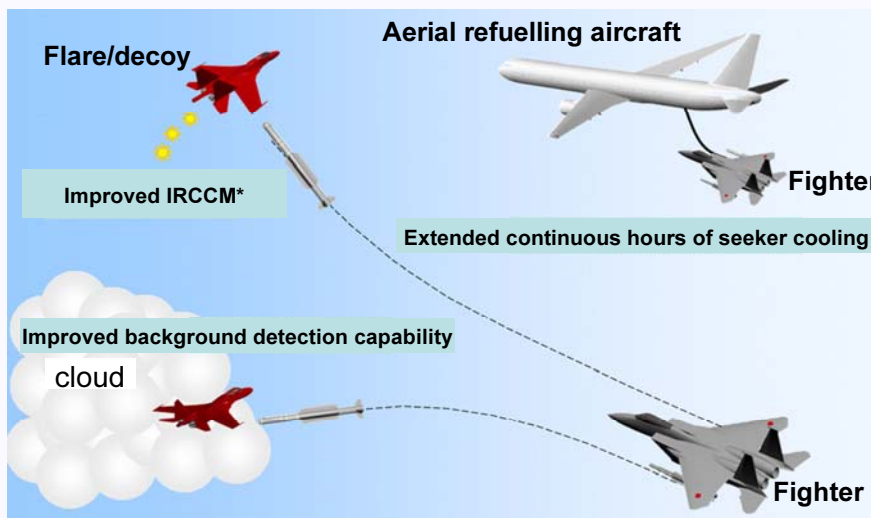
- Strengthen airmobile operation capabilities in the western region from the standpoint of strengthening the defense capabilities of the southwestern islands

**(3) Improvements in aerial defense capabilities**

**Capability Enhancement of Existing Fighters to Maintain Effectiveness**

■ Development of (improved) type-04 air-to-air missile (¥1.7 billion)

- 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 (8 units: ¥11.2 billion)
  - Improve self-defense capability of F-15 (2 units: ¥4.7 billion)
  - Improve F-2 air-to-air combat capability (Aircraft repair for 3 units and radar repair for 36 units: ¥10.2 billion)
  - Add JDAM\* function to F-2 (12 units: ¥2.1 billion)
- ※JDAM: (Joint Direct Attack Munitions)



Fighter (F-15)

## Inquiry into the selection of the next generation fighter aircraft (F-X)

- Inquiry for the selection of the next generation fighter aircraft (F-X) (¥700 million)
  - In order to appropriately carry out tasks for selecting the F-X, there is the need for inquiry into areas such as performance information, performance evaluation procedures, and pervasive effects towards the domestic industry.
- ※ All considerations will be undertaken with a target to set a framework for selecting the F-X in January 2011 and expenses for procuring the F-X to be appropriated into the FY2012 Budget.

## Acquisition of Components

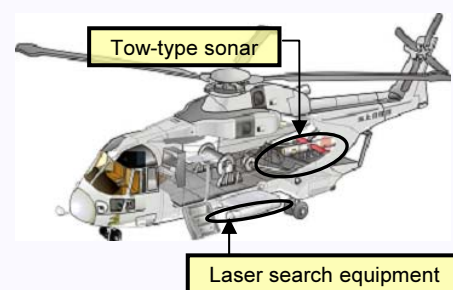
- Acquisition of next rescue helicopter (UH-X) (3 units: ¥12.3 billion)
  - To maintain the air rescue system of the ASDF and to enhance the capabilities for responding to various contingencies in the offshore islands, procure UH-X as a replacement of the existing UH-60J
- Acquisition of the Type 11 short-range guided surface-to-air missile (GSDF) and the surface-to-air missile for aerial base defense (ASDF) (¥11.2 billion)



Type 11 short-range guided surface-to-air missile (GSDF) / surface-to-air missile for aerial base defense (ASDF)

## (4) Safety procurement for Marine Transportation

- Construction of Mine Sweeper Coastal (1 ship: ¥15.9 billion)
- Acquisition of minesweeping and transport helicopter MCH-101 (minesweeping specifications) (2 units: ¥12.2 billion)
  - 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)

- Acquisition of the Patrol Helicopter (SH-60K) (3 units: ¥17.9 billion)
- Life extension of the Patrol Helicopter (SH-60J) (2 units: ¥1.3 billion)
  - Deployment of life extension measures on the SH-60J in order to maintain the structure of patrol helicopter.
- Construction and life extension of submarines, destroyers, and patrol aircrafts. [repost]

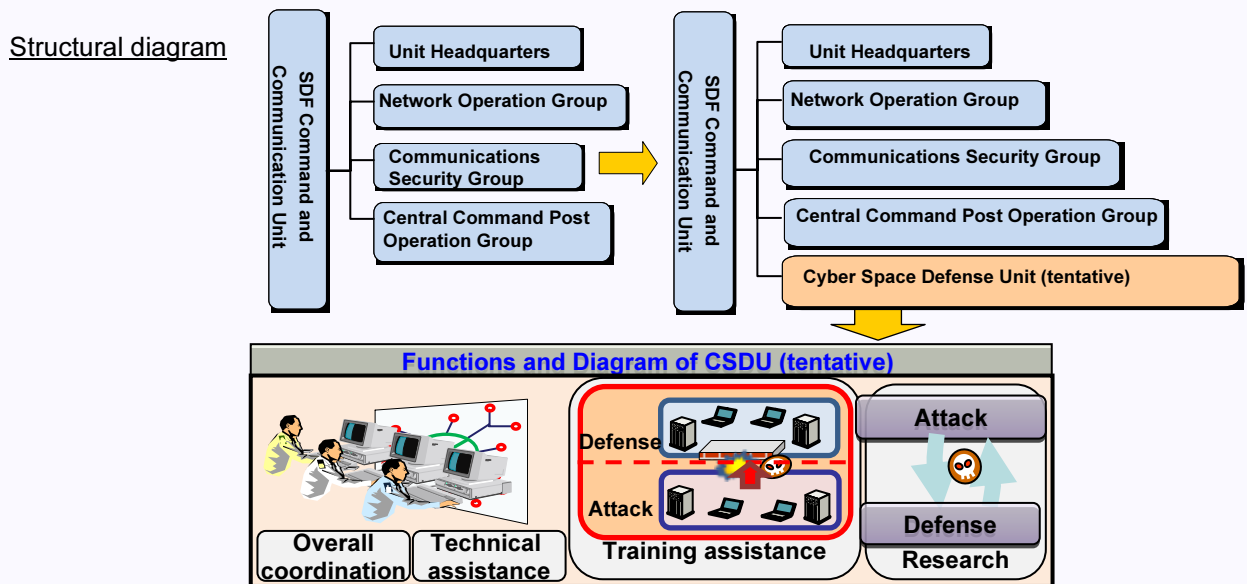


### 3) Response to Cyber Attacks

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



- Strengthen planning functions of the Internal Bureau and Joint Staff office concerning response to cyber attacks

#### Establish Operating Framework

- Begin the operation of security and analysis devices for cyber defense (¥1.1 billion)
  - 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 (¥100 million)

#### 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)

## 4) 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

¥83.7 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

¥6.8 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

¥105.1 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 [repost]
  - Conduct disaster relief drills (e.g., SDF joint disaster prevention exercises)

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

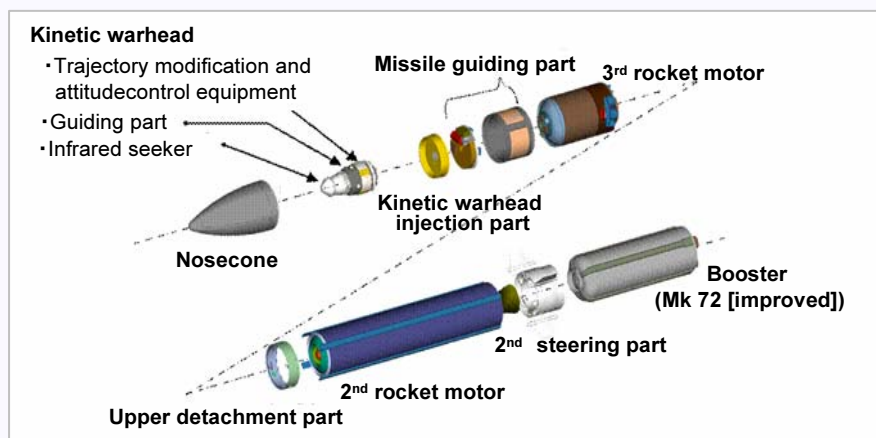
To be fully prepared for responding to ballistic missile attacks, Japan and the U.S. will continue their cooperative development of an advanced interceptor missile for BMD (SM-3 Block IIA). Furthermore, Japan will promote the additional deployment of PAC-3.

¥47.3 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.



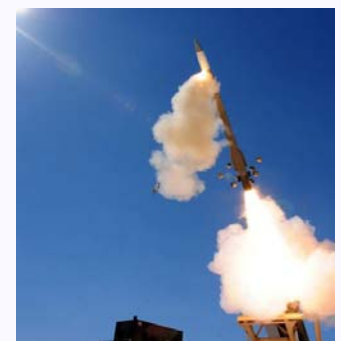
### Development of Interception System

#### 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

## 2 Further stabilization of the security environment in the Asia-Pacific region

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

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

- Defense cooperation and exchanges with Australia, the 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 ASEAN 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 etc. related skills, as well as strengthening trust and mutual understanding



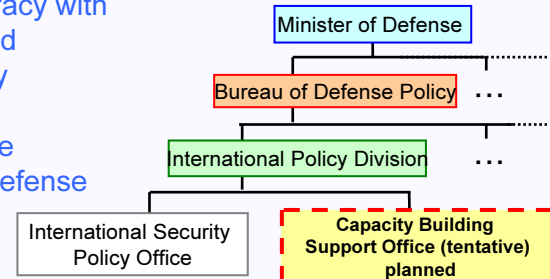
Japan-US-ROK defense cooperation and exchanges



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



Capacity Building Assistance Office (tentative)

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

- Efforts in the framework of the ASEAN Defense Ministers' Meeting (ADMM) Plus
  - Actively promote the strengthening of regional defense and security cooperation through the sole Defense Ministers' Meeting in the Asia-Pacific region.
  - Expected to be appointed the Co-chair of Experts' Working Group on Military Medicine with Singapore.
- Participating in the Pacific Partnership (PP) 2011
  - A US naval ship will visit countries in the Asia-Pacific region to conduct medical activities and hold inter-cultural events, etc. Through cooperation with governments, militaries, international organizations and NGOs, the PP strengthens partnerships among participating countries and facilitates international disaster relief operations.
- Participating in the ASEAN Regional Forum (ARF)
  - Aims to improve transparency of defense policies by widely introducing our policies, as well as mutual understanding among defense authorities through an open exchange of opinions.
- Hosting multilateral security dialogue
  - Tokyo Defense Forum
  - Meeting of Senior Defense Officials on Common Security Challenges in the Asia-Pacific Region
- Hosting Pacific Area Senior Officer Logistics Seminar (JSO), Multilateral Logistics Staff Talks (GSDF), Asia Pacific Naval College Seminar (MSDF), International Air Defense Education Seminar (ASDF)



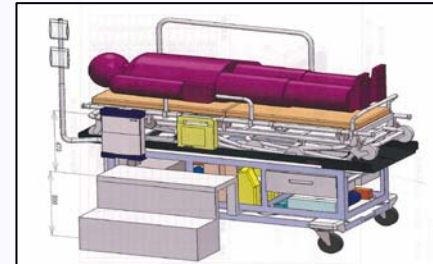
### 3 Improving the Global Security Environment

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

- 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

¥5.6 billion



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 Initiatives for the Structural Reform of Defense Capabilities

AA “committee for the promotion of structural reform for improving the effectiveness of defense capabilities” (committee chairman: senior vice minister of defense) was set up based on the “ministerial directive on the promotion of structural reform for improving the effectiveness of defense capabilities” of December 27, 2010. The committee is charged with investigating approaches to organization, deployment, personnel, programs and resource allocation as material for building a mobile defense capability and enhancing the effectiveness of the unified management of the Self-Defense Forces (SDF), and it will conduct investigative studies to that end.

¥ 100 million

## Exploring Approaches to Troops, etc. and the Enhancement of Functions through Integration

- Studies relating to improving the mobile deployment capability of the Self-Defense Forces
  - A study of the necessary infrastructure, etc. for the SDF to concentrate, transfer and deploy troops effectively and efficiently domestically will be undertaken in order to explore the mobility and readiness to dispatch troops, in the event an urgent contingency occurs, to the contingency location and immediately negate that contingency while utilizing the functions of the Ground, Maritime and Air Self-Defense Forces (GSDF, MSDF and ASDF) in a cross-sectional manner. A study of foreign militaries’ mobile troop deployments will also be carried out.
- Creating tools for assessing the mobile deployment capability
  - Tools (programs) will be created in order to conduct quantitative assessments of the mobile deployment capability of the SDF units.

## Exploring the Optimization and Unification of Resource Allocation from a Cross-Sectional Perspective

- Investigative studies on optimizing projects and budgets
  - With regard to the SDF’s projects and budgets, studies and other research will be conducted into the procedures and the budget and execution management systems of the SDF and of foreign nations, as material for exploring the creation of a structure that would make it possible to allocate resources to those functions that are genuinely needed, and to eliminate vertical segmentation without being bound by precedents.
- Studying approaches to SDF programs
  - 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.

## Promotion of fundamental systemic reforms relating to the human resources base

- Investigative study on approaches to human resources management of Self-Defense Force personnel
  - From the standpoint of enhancing the prowess of the Self-Defense Forces, and as material for reviewing approaches to the rank and age structures of Self-Defense Force personnel and exploring various human resource measures, a study will be carried out of case examples in foreign militaries and private-sector companies, and of the actual state of human resources management in the Self-Defense Forces.

## Promoting Comprehensive Acquisition Reform

- Exploring policies for dealing with changes in the international environment
    - Among developed nations, the mainstream approach is to deal with rising costs and achieve higher-performance equipment by taking part in joint international development and production. Measures to deal with major changes such as these will be explored.
  - Studying towards publishing a strategy for defense production and technological base
    - The study group on defense production and technological base will explore the future vision of a strategy for defense production and technological base, by investigating defense production and technological base in Japan.
  - Studying improvement of contract systems in the study group
    - 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.
  - Study on the introduction of PBL\* for equipment and maintenance
    - Looking ahead to the introduction of PBL\* for equipment maintenance, MOD will study on the details of PBL including value for money and expected problems for implementation, while drawing on the opinions of external experts and overseas examples.
- \* PBL (Performance Based Logistics): A type of contract in which customers pay for performance, such as for availability and safety of equipment, rather than paying for the cost based on the amount of maintenance.

# 5 Space and Information and Telecommunication Programs

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

## Space Programs

¥61.1 billion

- Research for enhancement of C4ISR\* capability
  - Research on two color infrared image sensor technology, etc.
- \* Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance
- 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
  - Purchase 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



Diagram of X-band satellite communications

## Enhancement of information and telecommunication function

- Enhancement of X-band satellite communications functions (¥23 billion )
  - 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) (¥2 billion )

\* FCCS: Firing Command and Control System



## 6 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.

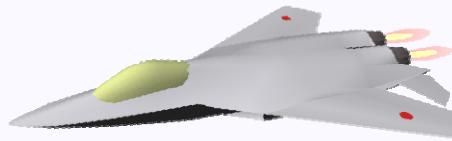
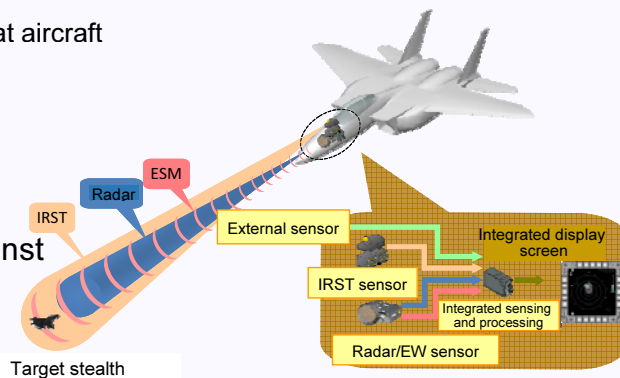


Diagram of possible future combat aircraft

#### ■ Research on advanced integrated sensor system

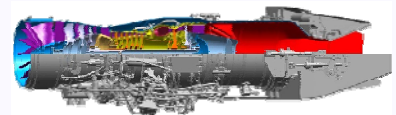
- Research regarding sensor system for combat aircraft capable of detecting and defending against stealth aircrafts (¥4 billion)



Research on advanced integrated sensor system

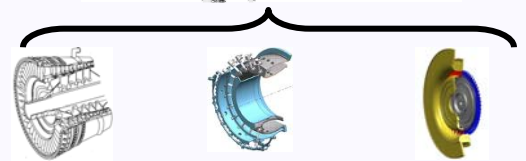
#### ■ Research on next-generation engine technology

- Research regarding powerful next-generation engine technology (¥3.3 billion)



#### ■ 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 (¥1.6 billion)



Light-weight  
compressor  
aerodynamic  
technology

High-temperature  
combustion  
technology

High-temperature  
highpressure  
turbine  
aerodynamic  
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.

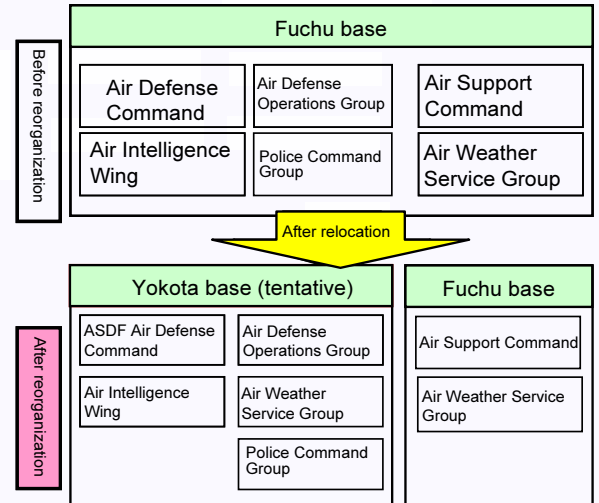


# 7 Restructuring and Organizational Changes

Organizational formation to strengthen defense policy planning functions, such as the unit reorganization of each defense force, as well as the new establishment of the Deputy Minister for Defense for the purpose of strengthening advisory functions for the Minister of Defense will be implemented.

## Restructuring Programs

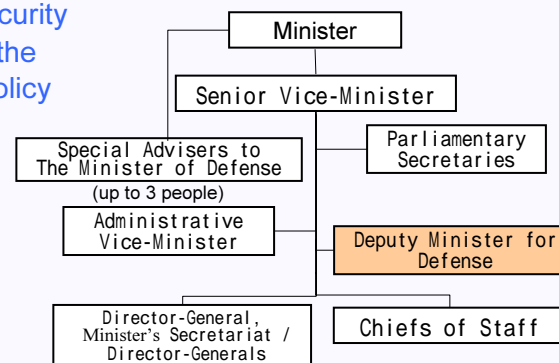
- Unit reformations, etc.
  - Relocate ASDF Air Defense Com Yokota Air Base (tentative), etc. (Newly establish Yokota Air Base (tentative) )
  - Newly establish ASDF Air Defense Vice Commander (tentative) position
  - Newly establish camp Tokushima (tentative)



Relocation of ASDF Air Defense Command to Yokota Air Base (tentative), etc.

## Organizational Changes

- Organizational changes to strengthen defense policy planning functions
  - Newly establish "Deputy Minister for Defense" in order to appropriately handle such important issues as the deepening of the Japan-U.S. Alliance and defense cooperation and exchanges, thereby ensuring the support structure for three ministerial positions including the Defense Minister.
  - Strengthen the structure in order to deepen the Japan-U.S. Alliance
    - Newly establish "Senior Coordinator for Japan-U.S. Security Arrangement and Defense Cooperation" (tentative) in the Japan-U.S. Defense Cooperation Division, Defense Policy Bureau.
  - Structurally promote defense exchanges and cooperation in Asia, and independent initiatives for international peace cooperation activities, etc.
    - Newly establish "Senior Coordinator for International Policy" (tentative) and "Capacity Building Assistance Office" (tentative) in the International Policy Division, Bureau of Defense Policy.
    - Newly establish "Senior Coordinator for International Cooperation" (tentative) in the International Operations Division, Bureau of Operational Policy.
  - Structurally enhance the "structural reform of the defense forces"
    - Enhance the structure to improve capability-based defense build-up, newly establish "Senior Coordinator for Defense Capabilities Planning" (tentative) in the Planning and Programming Division, Bureau of Defense Policy
    - As part of the acquisition reform, newly establish "Senior Coordinator for Contractual Information Analysis (tentative)" in the Equipment Policy Division, Bureau of Finance and Equipment in order to improve contractual data analysis and monitoring functions.



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

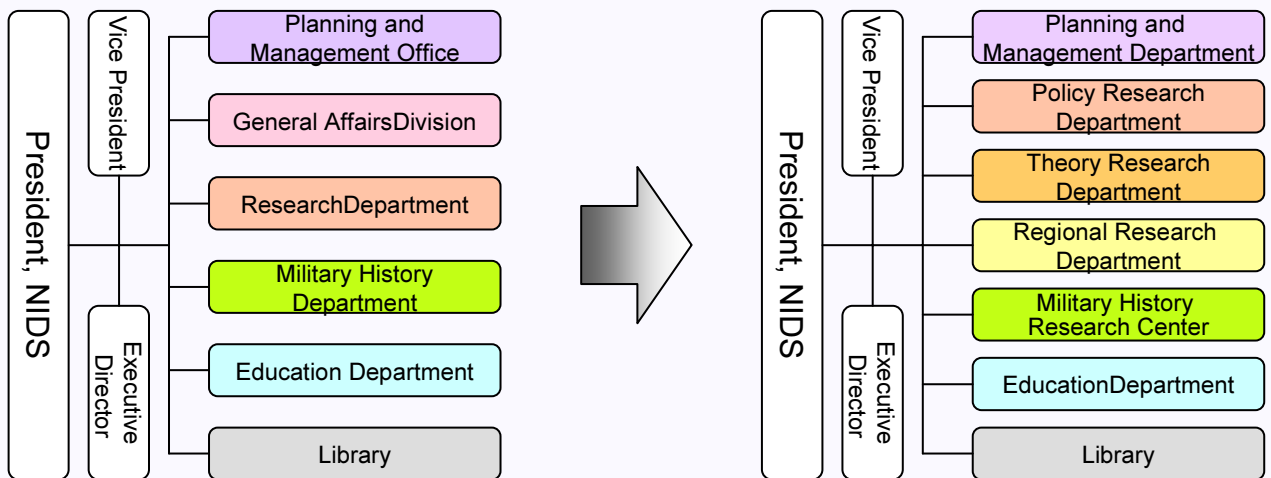
## 8 Strengthening Education and Research

To implement measures in order to strengthen the system of education and research of the National Institute for Defense Studies, National Defense Academy of Japan, and National Defense Medical College, as well as the enhancement of the environment and hygiene policies to enable undivided attention to duty.

### 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
- 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



#### ■ 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)



Rimland Pacific Superintendents' Conference

#### ■ 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)

## National Defense Medical College

- Establishment of a nursing faculty four-year program
  - 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.



## Enhancement of the environment to enable undivided attention to duty

- Enhancement of mental health care
  - Set up counseling systems such as training for counselors by external instructors and the placement of clinical psychologists, as well as inviting external counselors in order to fulfill psychological care towards members of the defense force.
- Family support which is prepared for dispatch to Activities for Contributions to International Peace
  - Establish an environment where members of the defence force can advance towards assignments such as the Activities for Contributions to International Peace by promoting communication between members of the defence force as well as between families on a daily basis.



Exchange between members of the defense force and families (explanation of the summary of the unit)

## Medical function policies

- Maintenance and Improvement of medical officers' technical skill, and contribution to regional health services
  - Reconstruction of the Sapporo Hospital (¥5.2 billion)
  - Opening of the Hanshin Hospital (¥20 million)
  - Enhancement of medical equipments etc. in Self Defense Forces Hospitals (¥15.8 billion)
- Strengthening of the medical function
  - The supply of air evacuation equipment [repost] (¥100 million)
  - Enhancement of personal first aid kits (¥500 million)
  - Enhancement of field surgery systems (¥200 million)
- Establishment of 4-year program for the nursing school course (refer to above)



Personal portable emergency system

# 9 Initiatives for the Realignment of U.S. Forces in Japan

To make steady progress in the realignment of U.S. Forces in Japan, 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

¥149.8 billion

### ■ Relocation of US Marine Corps from Okinawa to Guam (¥53.2 billion)

- Funding for the "Mamizu" projects and Utilities projects, etc.

Note1: "Mamizu" projects are for development of facilities, such as headquarters buildings by Japanese direct cash contributions. (¥14.9billion)

Note2: GOJ will provide funding to Japan Bank for International Cooperation (JBIC), the international arm of Japan Finance Corporation, as a source of loans to the U.S. for utilities improvements associated with relocation of Marines from Okinawa to Guam. (¥37billion)



Guam

### ■ Realignment-related measures in Japan (¥96.6 billion)

- Relocation of Futenma Air Station (¥6.3 billion)

<Reference>

For the relocation of the Futenma Air Station, Reserve Funds and Purpose-Undecided National Treasury Funds may be options to facilitate GOJ to take necessary procedures for contract as soon as the configuration etc. of the replacement facility is decided.



Futenma Air Station

- Return of land south of Kadena Air Base (¥300 million)
- Return of portions of land at Sagami General Depot, etc. (¥6.7 billion)
- Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni (¥72 billion)
- Relocation of U.S. aviation training from Kadena Air Base, etc. to mainland Japan (¥1 billion)
- Community development measures (realignment grant, etc.) (¥10.3 billion)

\* The total budget of ¥149.8 billion for the relocation of the U.S. Marine Corps to Guam (¥53.2 billion) and realignment measures in Japan (¥96.6 billion) includes ¥2.8 billion for facilities for the reduction of the burden place on the region.

## Measures for Maintaining Deterrence and Capabilities

¥3.9 billion

### ■ Relocation of the JGSDF Central Readiness Force to Camp Zama (¥400 million)

### ■ Relocation of the JASDF Air Defense Command to Yokota Air Base (¥3.6 billion)

\* The above figures include the initial expenses needed for equipment production, etc.

## SACO-Related Cost

¥8.3 billion

- 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.

# 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

¥112.5 billion

( Including Residential sound insulation: ¥39.8 billion  
Improvement of living environment of neighboring communities: ¥72.7 billion )

Expenses for prevention of disturbances resulting from SDF activities or the establishment and operations of defense facilities

- Increase of budget 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).
- Increase of budget 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

¥186.2 billion  
(expenditure basis: ¥185.8 billion)

( Including Special Measures Agreement: ¥138.4 billion  
Facilities improvement: ¥21.0 billion  
Measures for USFJ employees, etc: ¥26.8 billion )

Expenses of the Special Measures Agreement to ensure the smooth and effective stationing of U.S. forces in Japan.

- Sharing cost of wages of USFJ employees and utilities
- Facilities improvement
- Sharing cost of social insurance premiums, etc.



Barracks

As a result of the comprehensive review of Host Nation Support (HNS), the Government of Japan (GOJ) and the Government of the United States of America (USG) have reached an understanding that the period of the new Special Measures Agreement (SMA) will be 5 years, and the overall level of HNS will be maintained at the current level (bearing in mind the budget of 188.1 billion yen in the FY 2010) over the new SMA period.

In addition, an understanding has been reached on the following:

- (1) The Upper Limit of the Number of Workers that the GOJ funds will be reduced from 23,055 to 22,625 in some phases.
- (2) The ratio of GOJ sharing of utilities costs will be reduced from 76% to 72% in some phases with the upper limit of 24.9 billion yen.
- (3) The level of Facilities Improvement Program (FIP) will be no less than the current level over the new SMA period. Any amount of reduction in the labor costs and the utilities costs will be added to the FIP funding. At the same time, efforts will be made to ensure that programs are focused on the environment through such measures as the introduction of more energy-efficient and sustainable designs.

\*: Budget for expenditure basis

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

¥128.9 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]

- 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
  
- Aerial ammunition (ASM-2B)
  - Bulk procurement of three fiscal years' worth
  
- Replacement ammunition (rocket motor for AIM-7)
  - Bulk procurement of three fiscal years' worth



New helicopter for training (image)



Fighter (F-2)

## Streamlining Initiatives, etc.

- Program streamlining studies [repost]
  - Investigation of the ideal shape of the defense force tasks
  - Studying improvement of contract systems in the study group
  
- Study on maintenance arrangement using PBL\* method [repost]
  
- 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: Δ 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

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 Senior Coordinator for Contractual Information Analysis(tentative) position
- Improvement of the procurement method during the execution of the budget
  - Implementation of competitive bidding from the private sector (outsourcing of tasks) when procuring office supplies for ADSF, etc.

## **Reflecting the Outcomes of “Project Re-screening”**

Based on the outcome of the re-screenings, etc. that were conducted by the Government Revitalization Unit, the Ministry of Defense reduced its fiscal 2011 budget allocations by a total of 3.8 billion yen\* (on an expenditure basis) compared to its budget requests.

(The square brackets [ ] contain the details of what was specified in the re-screenings).

Regarding the outcome of the “ re-screening ” of projects conducted by the Ministry of Defense:

In connection with the recruitment of Self-Defense Force (SDF) personnel, etc.

- (1) The outlay required for recruiting activities for SDF personnel, etc. [Conduct a fundamental review and dramatically reduce the number of recruitment personnel]

The budget amount was reduced by reviewing the number of SDF and part-time personnel in charge of recruiting.

- (2) The cost of entrusting recruitment duties to regional public institutions [Defer budget allocation]

In the project screenings, debate centered in particular on the results of public relations activities relating to the recruitment of SDF personnel, etc., conducted by the heads of regional municipalities. Based on the decision to “defer the budget allocation”, the budget allocation for the full sum relating to public relations activities will be deferred.

However, steps will be taken with regard only to the minimum clerical expenses, etc. necessary for the heads of regional municipalities to continue to perform the tasks of announcing recruitment periods, etc. and delivering exam administration slips, based on laws and ordinances.

The outlay required for education at the National Defense Academy of Japan [Undertake a review]

Currently, reform of the National Defense Academy of Japan is being explored within the ministry with the end of April 2011 as a target, and the ministry is in the process of exploring the reform in conjunction with the details of what was specified in the re-screenings also.

- Regarding Ministry of Defense projects that have been identified as inadequately reflecting the assessment outcomes of previous project screenings in the fiscal 2011 budget requests:

- The request for an increase in the actual number of SDF personnel  
The budget allocation will be deferred for fiscal 2011.
- The SDF’s Public Relations Activity (large-scale public-relations facilities, public-relations for events) With regard to large-scale Public Relations facilities, the Ministry is in the process of considering appropriate policies based on cooperation with the private-sector, in order to reduce the expenses related to maintenance and management of the facilities. In the fiscal 2011 budget, the allocation of maintenance and servicing costs relating to some display materials will be deferred.  
With regard to Marching Festival in the Nippon Budokan Hall, it will not be charged for entrance, but MOD will continue to consider imposing some charges on other concerts performed by the SDF bands.

\*In regards to the outlay required for education at the National Defense Academy of Japan, as a result of declines in student allowances that arise when students leave the academy, around 200 million yen has been cut from the budget requests, but this is not included in the 3.8 billion yen above.





**Major equipment, etc.**

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# 1 Major Equipment

Procurement type		FY2010 Number procured	FY2011		
			Number procured	Amount (¥100 million)	
Aircraft	GSDF	Multi-purpose helicopter (UH-60JA)	3	2	61
		Transport helicopter (CH-47JA)	1	1	60
		Combat helicopter (AH-64D)	—	1	53
		Next helicopter trainer (TH-480B)	1	28	64
		Observation helicopter (OH-1)	4	—	—
	MSDF	Fixed-wing patrol aircraft (P-1)	1	3	544
		Patrol helicopter (SH-60K)	3	3	179
		Minesweeping and transport helicopter (MCH-101)	—	2	122
		Primary trainer (T-5)	4	5	12
		Helicopter trainer (TH-135)	3	2	13
		Life extension of fixed-wing patrol aircraft (P-3C)	—	(1)	6
		Life extension of rotary-wing patrol aircraft (SH-60J)	—	(2)	13
	ASDF	Modernization of fighter (F-15)	(2)	(8)	112
		Improvement of self-defense capability of fighter (F-15)	(2)	(2)	47
		Improvement of air-to-air combat capability of fighter (F-2)	(1) (4)	(3) (36)	102
		Addition of JDAM function to fighter (F-2)	( — ) (35)	(12) ( — )	21
		Next-generation transport aircraft (C-2 [tentative])	—	2	374
		Transport helicopter (CH-47J)	1	—	—
		Next-generation rescue helicopter (UH-X)	—	3	123
		Improvement of radar function of early warning and control aircraft (E-767)	(3)	—	—
Improvement of early warning aircraft (E-2C)		(1)	—	—	
Vessel	MSDF	Destroyer (DDH)	1	—	—
		Submarine (SS)	1	1	546
		Minesweeper (MSC)	—	1	159
		Life extension of Hatsuyuki class destroyer	—	(1)	7
		Life extension of Asagiri class destroyer	—	(1) (3)	87
		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	215
		Short-range SAM (Rev. II)	—	3 sets	66
		Type-96 multi-purpose missile system	1 set	1 sets	25
		Medium range multi-purpose missile	13 sets	12 sets	46
	ASDF	Surface-to-air missile (Patriot [excluding PAC-3])	¥8.2 billion	—	91
		Upgrading of patriot system	(6 sets)	—	—
Base air defense SAM		—	1 set	45	
Firearm, vehicle, etc.	GSDF	9mm gun	1,004	137	0.3
		Type-89 rifle	10,012	10,033	29
		Anti-personnel sniper rifle	105	91	1
		5.56mm machine gun MINIMI	195	212	4
		12.7mm heavy machine gun	123	113	6
		81mm mortar L16	5	1	0.2
		120mm mortar RT	4	1	0.4
		Type-99 155mm self-propelled new howitzer	9	6	57
		Type-10 tank	13	13	132
		Light armored mobile vehicle	93	56	17
		Type-96 wheeled armored vehicle	17	11	13
		Type-87 reconnaissance and patrol vehicle	3	1	3
		NBC reconnaissance vehicle	3	2	14
		Vehicle, communications equipment, facility equipment, etc.	¥76.5 billion	—	650
	ASDF	Light armored mobile vehicles	26	9	3
BMD	ASDF	Upgrading of patriot system	—	(1 set) (1 set for regular repair)	206

## 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.
- 4) 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.
- 5) The price of the surface-to-air missile (Patriot) represents the expenses needed for the maintenance/deployment of missiles for firing.
- 6) 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.	3.5
	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 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.	2.3
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.	16.9
	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.	7.0

### 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	159,816	△ 304
Regular personnel	151,641	151,337	△ 304
Ready reserve personnel	8,479	8,479	0
MSDF	45,518	45,517	△ 1
ASDF	47,123	47,097	△ 26
Joint Units	1,198	1,227	29
Joint Staff	359	361	2
Defense Intelligence Headquarters	1,907	1,907	0
Total	247,746 (256,225)	247,446 (255,925)	△ 300 (△ 300)

#### 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 the end of the financial year are budget figures.

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

(Unit: Person)

	GSDF	MSDF	ASDF
Yearly average	141,058	41,938	43,245

#### ■ 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

#### ■ Changes in the number of civilian personnel, and others

(Unit: Person)

	End of FY2010	End of FY2011	Increase/ decrease
Total	22,241	21,990	△ 251

#### Notes

1) Includes the Minister, Vice-minister, and two Secretaries

2) "Increase/Decrease" includes the decrease of 491 personnel through streamlining.



# **Defense-related expenses**

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# 1 Overall Defense-related Expenses

[ Expenditures (classified into three categories by expenses) ]

(Unit: ¥ billion)

	FY2010		FY2011	
		YR/YR		YR/YR
Defense-Related Expenditures	4,682.6	Δ20.2 [ 0.4% ]	4,662.5	Δ20.1 [ 0.4% ]
Personnel and Provisions Expenses	2,085.0 (44.5%)	7.8 [0.4%]	2,091.6 (44.9%)	6.6 [0.3%]
Material Expenses	2,597.5	Δ27.9 [ 1.1% ]	2,570.9	Δ26.6 [ 1.0% ]
Obligatory Outlay Expenses	< 235 > 1,675.0 (35.8%)	Δ16.0 [ 0.9% ]	< 191 > 1,632.1 (35.0%)	Δ42.9 [ 2.6% ]
General Material Expenses	922.5 (19.7%)	Δ11.9 [ 1.3% ]	938.8 (20.1%)	16.3 [1.8%]

Note: In addition to the above-mentioned defense-related expenditures, the SACO-related expenses are ¥16.9 billion for FY2010 and ¥10.1 billion for FY2011, and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are ¥90.9 billion for FY2010 and ¥102.7 billion for FY2011. Therefore, the total is ¥4,790.3 billion for FY2010 (¥16.2 billion, 0.3% yr/yr) and ¥4,775.2 billion for FY2011 (Δ¥15.1 billion, Δ0.3% yr/yr).

Comments

- 1) Exchange rate for FY2011: US\$ 1 = JPY 89
- 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) Figures of FY2011 includes expenses for the reconstruction of the Sapporo Hospital, which is a portion of the budget of the Ministry of Finance (10 million yen for general material expenses and 1.1 Billion Yen for future obligation concerning new contracts)

[ Future Obligation Concerning New Contracts ]

(Unit: ¥ billion)

	FY2010		FY2011	
		YR/YR		YR/YR
Future Obligation Concerning New Contracts	1,662.3	Δ36.7 [ 2.2% ]	1,654.0	Δ8.3 [ 0.5% ]

Note: In addition to the above-mentioned future obligation concerning new contracts, the SACO-related expenses are ¥5.8 billion for FY2010 and ¥3.1 billion for FY2011, and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are ¥32.1 billion for FY2010 and ¥73.1 billion for FY2011. Therefore, the total future obligation concerning new contracts is ¥1,700.2 billion for FY2010 ( ¥45.8 billion, 2.6% yr/yr) and ¥1,730.3 billion for FY2011 (¥30.0 billion, 1.8% yr/yr).



## (Reference 1) Projects requested in the framework of “Special Allocation to Rejuvenate Vibrant Japan”

(Unit: ¥ billion)

Name of Operation	Evaluation	Requested amount	Allocated	Remainder
Cost sharing for the stationing of U.S. forces in Japan	A	185.9	185.8	0.1
Expenses related to the ballistic missile defense (BMD)	B	116.6	108.0	8.7
Fuel expenses (for operation and training)	B	98.9	93.2	5.7
Type-03 medium-range surface to air missile	C	41.3	39.9	1.4
Prototype of equipments	C	22.4	22.3	0.2
Lease of satellite communication function necessary for the operation of the SDF	A	6.1	6.1	0
Maintenance expenses for government aircrafts (JAL related)	C	4.1	1.7	2.4
Capacity building assistance	D	0.1	0	0.1
Total		475.5	456.9	18.5

Caution: The figures are on an expenditure basis.

(Reference2) 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.

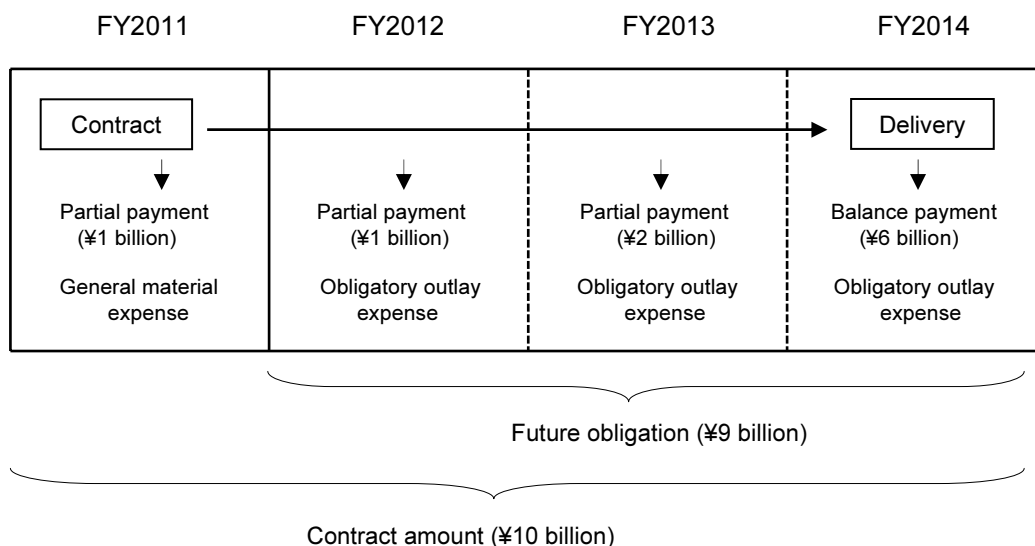
Personnel and provisions expenses	Expenses related to personnel salary, retirement allowance, meals, etc.
Material expenses (program expenses)	Expenses related to the procurement, repair, and maintenance of equipment; purchase of fuel; education and training of SDF personnel; facility construction and 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.

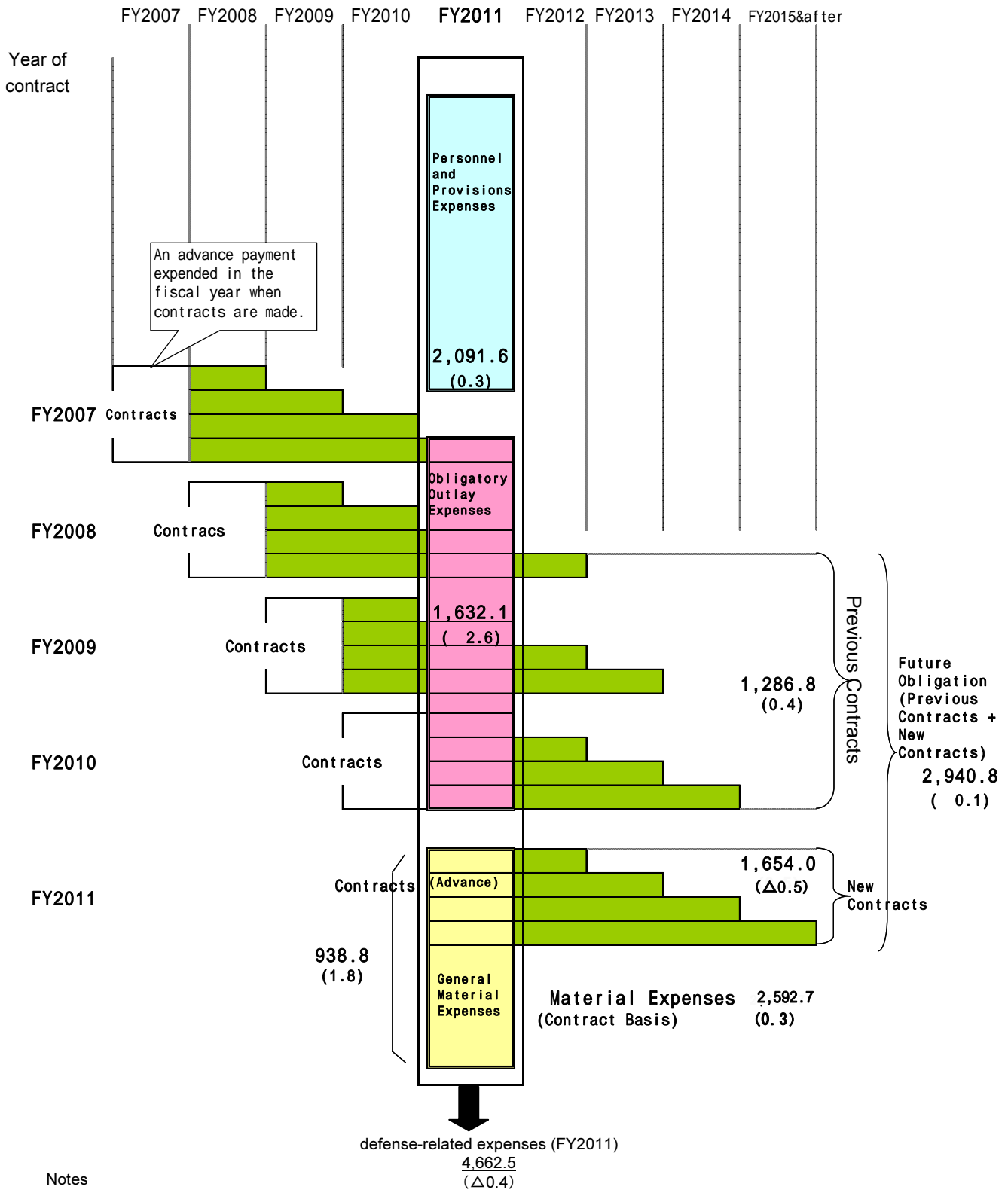
Future obligation refers to the amount which will be paid in the fiscal year(s) following the year the contract is made, in accordance with the contract of several fiscal years.

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



Relationship between obligatory outlay expenses and future obligation

Unit: ¥ billion  
( ) : growth rate (%)



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.

Material Expenses (Contract Basis) = General Material Expenses + Future Obligation (New Contracts)  
(a constituent of Obligation Outlay Expenses (FY2012~))

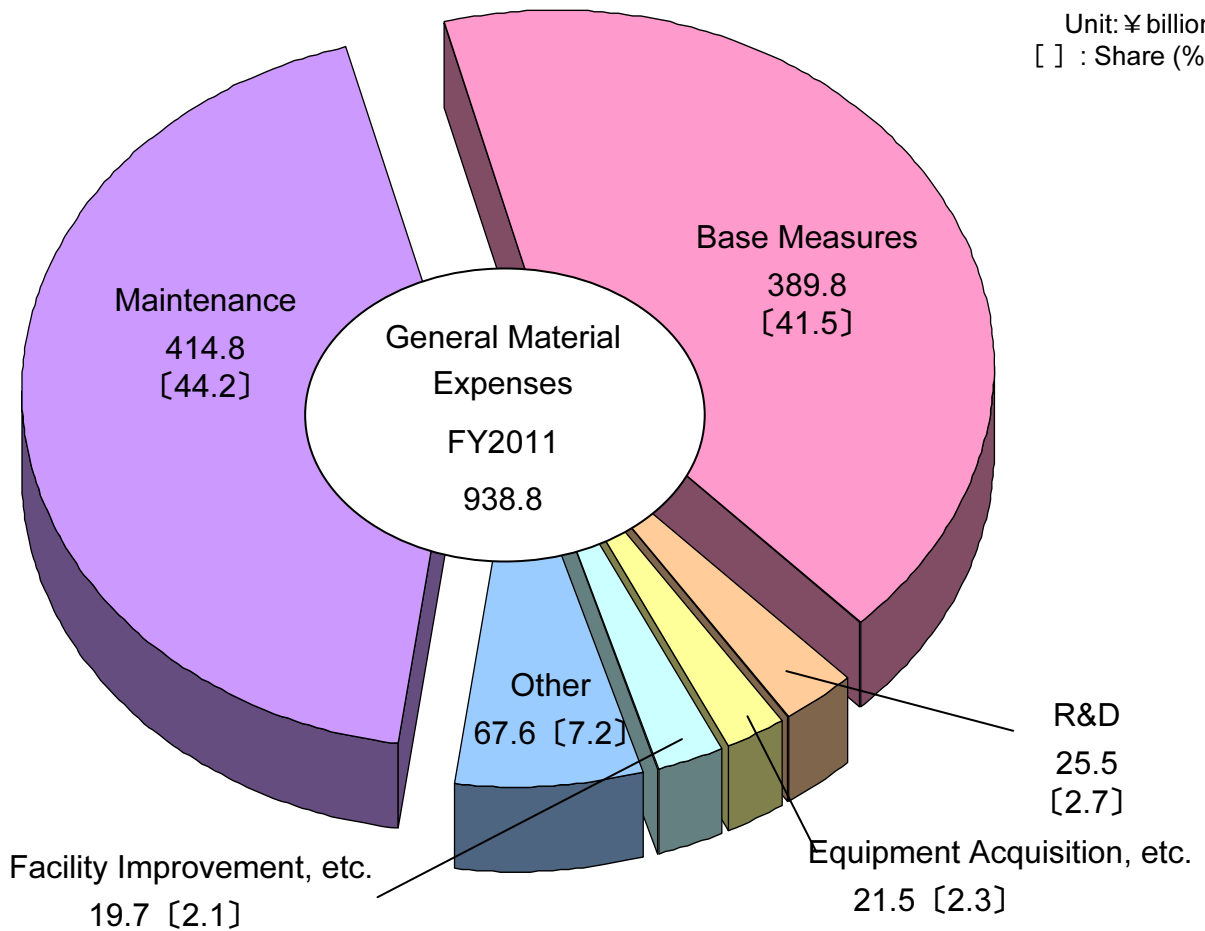
$$2,592.7 = 938.8 + 1,654.0$$

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

$$2,570.9 = 938.8 + 1,632.1$$

## 2 General Material Expenses

Unit: ¥ billion  
[ ] : Share (%)



### Details of General Material Expenses

(Unit: ¥ billion)

Classification	FY2010	FY2011	YR/YR
Maintenance	401.3	414.8	13.5
• Petrol	84.1	93.2	9.1
• Repair	175.9	178.4	2.4
• Education & Training	26.7	27.1	0.4
• Medical Care	23.9	24.5	0.6
• Utilities	90.7	91.6	0.9
Base Measures	388.1	389.8	1.6
• Community Grants	88.0	90.8	2.8
• Host Nation Support	170.6	170.3	△0.4
• Rent, Compensation costs	129.5	128.7	△0.8
R&D	26.2	25.5	△0.7
Equipment Acquisition	19.8	21.5	1.7
Facility Improvement	22.4	19.7	△2.7
Others	64.7	67.6	2.8
<b>Total</b>	<b>922.5</b>	<b>938.8</b>	<b>16.3</b>

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 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	FY2010	FY2011	FY/FY
Maintenance	1,098.7	1,097.3	△1.5
Petrol	84.1	93.2	9.1
Repair	840.1	822.7	△17.4
Education & Training	174.5	181.3	6.8
Base Measures	434.6	427.6	△7.0
R&D	126.6	127.2	0.6
Equipment Acquisition	484.5	456.2	△28.2
Aircraft Acquisition	70.9	209.6	138.7
Shipbuilding	176.2	76.0	△100.2
Facility Improvement	116.7	105.5	△11.2
Others	76.5	93.3	16.9
合計	2,584.8	2,592.7	7.9

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) Details of Future Obligation Concerning New Contracts

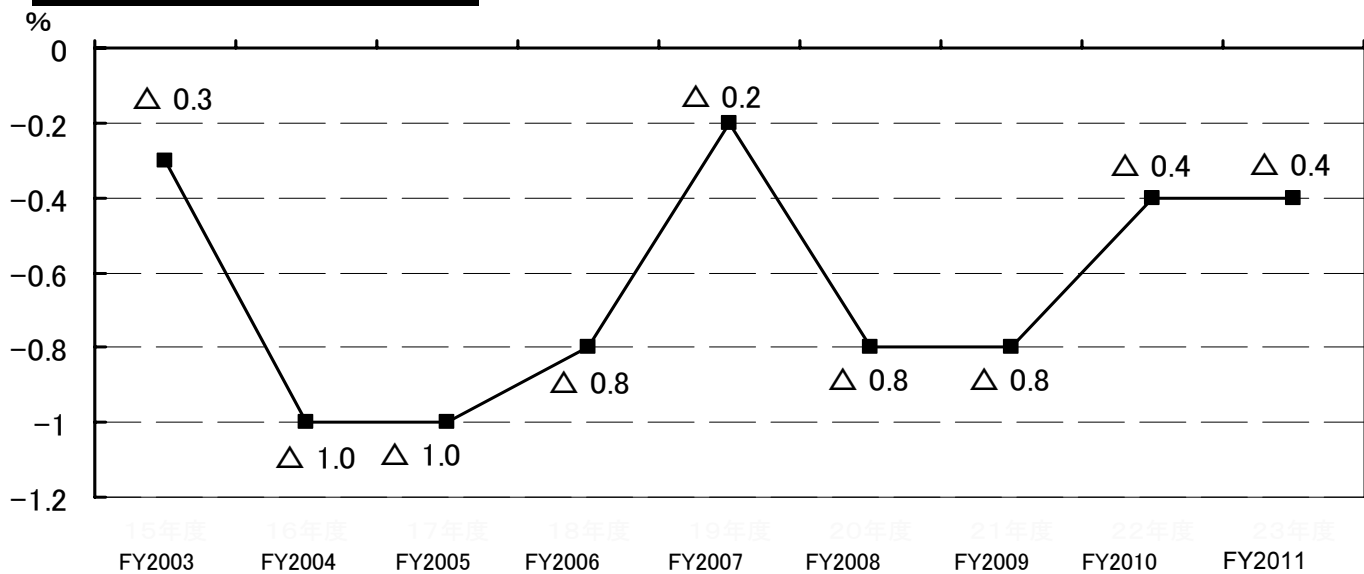
(Unit: ¥ billion)

Classification	FY2010	FY2011	FY/FY
Maintenance	697.5	682.5	△15.0
Repair	664.2	644.3	△19.8
Education & Training	33.3	38.2	4.9
Base Measures	46.5	37.9	△8.6
R&D	100.4	101.7	1.3
Equipment Acquisition	466.4	436.5	△29.9
Aircraft Acquisition	70.8	208.8	138.0
Shipbuilding	174.6	75.0	△99.6
Facility Improvement	94.3	85.8	△8.5
Others	11.7	25.8	14.0
Total	1,662.3	1,654.0	△8.3

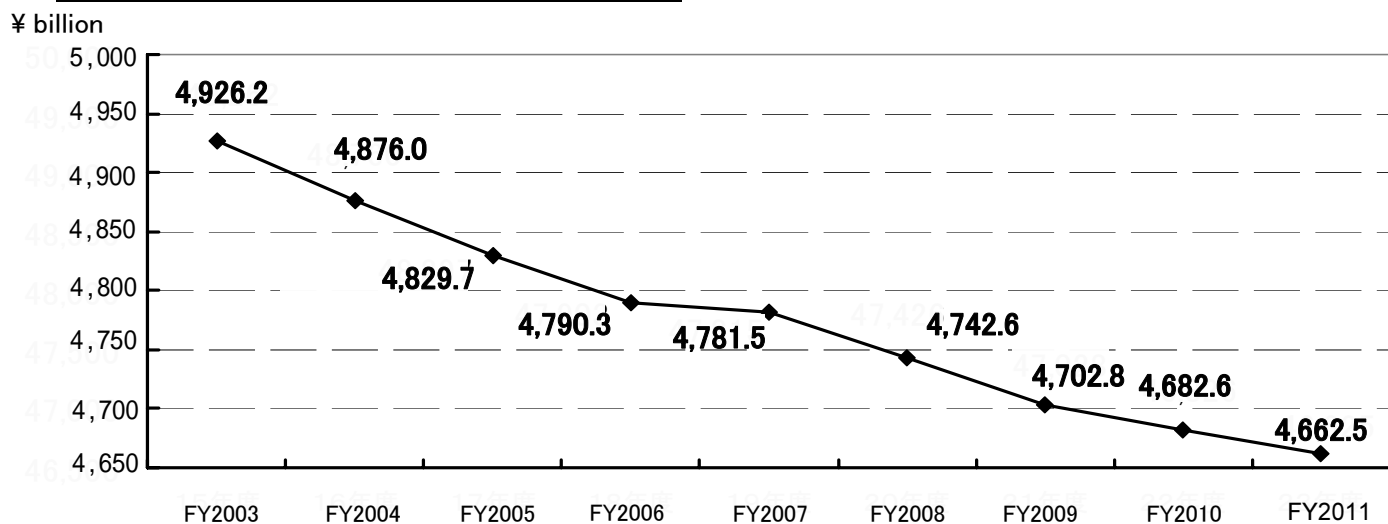
Note: The SACO-related expenses and the US forces realignment-related expenses (portion meant to reduce the burden on the local community) are not included in this table.

## (Reference) Trends in defense-related expenses

## Changes of growth rates



## Changes of defense-related expenditures



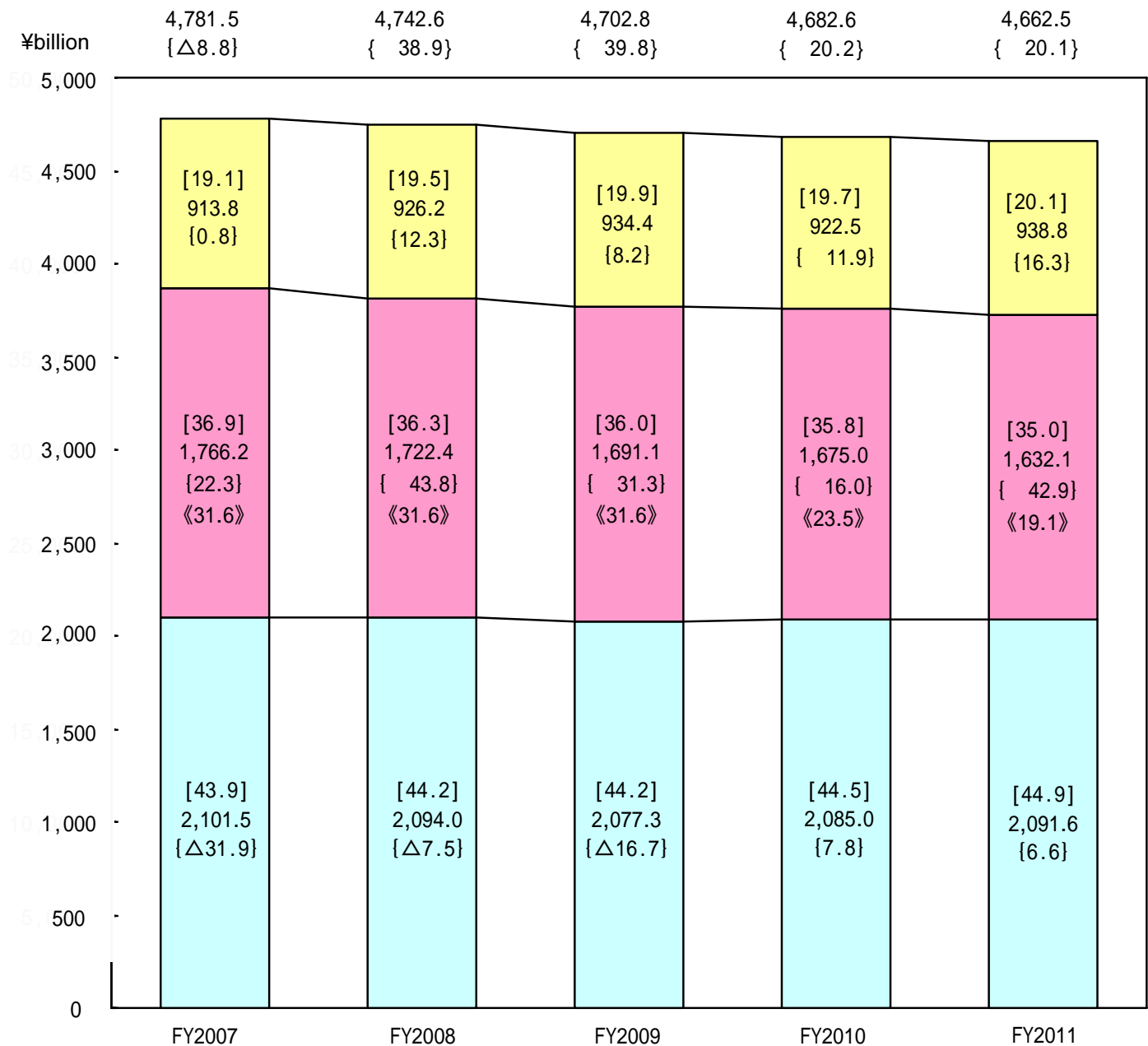
注：1 The above do not include future obligation.

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, ¥10.1 billion for FY2011, 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, ¥102.7 billion for FY2011.

## Changes of three categories

General Material Expenses
Obligation Outlay Expenses
Personnel and Provisions Expenses

[ ] : Share of expenses budget (%)  
 { } : YR/YR increase/decrease  
 《 》 : 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	FY2010	FY2011	YR/YR	Growth rate
Defense-related expense	4, 6 8 2 . 6	4, 6 6 2 . 5	△ 2 0 . 1	△ 0 . 4
Ministry of Defense	4, 6 8 2 . 6	4, 6 6 2 . 5	△ 2 0 . 1	△ 0 . 4
(Ministry of Defense, excluding local branch bureaus and departments)	4, 6 6 4 . 0	4, 6 4 4 . 1	△ 1 9 . 9	△ 0 . 4
GSDF	1, 7 4 3 . 9	1, 7 8 1 . 7	3 7 . 8	2 . 2
MSDF	1, 0 5 2 . 2	1, 1 0 0 . 8	4 8 . 6	4 . 6
ASDF	1, 0 8 7 . 3	1, 0 6 0 . 2	△ 2 7 . 1	△ 2 . 5
Total	3, 8 8 3 . 5	3, 9 4 2 . 7	5 9 . 2	1 . 5
Internal Bureau	4 8 1 . 1	4 8 4 . 4	3 . 2	0 . 7
Joint Staff	2 6 . 0	2 3 . 5	△ 2 . 5	△ 9 . 6
Defense Intelligence Headquarters	5 9 . 2	5 2 . 8	△ 6 . 4	△ 1 0 . 7
National Defense Academy	1 4 . 7	1 4 . 7	0	0 . 3
National Defense edical College	2 0 . 0	2 0 . 7	0 . 6	3 . 2
National Institute for Defense Studies	1 . 6	1 . 6	△ 0	△ 1 . 3
Technical Research and Development Institute	1 7 0 . 4	9 5 . 9	△ 7 4 . 5	△ 4 3 . 7
Equipment Procurement and Construction Office	7 . 1	7 . 4	0 . 3	4 . 9
Inspector General's Office of Legal Compliance	0 . 4	0 . 5	0	6 . 1
Total	7 8 0 . 5	7 0 1 . 4	△ 7 9 . 1	△ 1 0 . 1
(Regional Defense Bureaus)	1 8 . 5	1 8 . 4	0 . 2	0 . 9
Ministry of Finance				
(Ministry of Finance, excluding local branch bureaus and departments)		0	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.

\* This classification is not included in FY2010 Defense-related expense



## Promotion of base measures, etc.

Classification	FY2010	FY2011	YR/YR	Growth rate	Notes
Promotion of base measures	< 434.6 > 436.5	< 427.6 > 433.7	< 7.0 > 2.8	< 1.6 > 0.6	
(1) Expenses related to measures for communities near bases	< 117.6 > 117.9	< 112.5 > 118.5	< 5.1 > 0.6	< 4.3 > 0.5	
Residential sound insulation	37.0	39.8	2.8	7.6	Subsidies to finance residential sound insulation construction near air bases
Improvement of living conditions of neighboring communities	< 80.6 > 80.8	< 72.7 > 78.7	< 7.9 > 2.2	< 9.8 > 2.7	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	< 186.2 > 185.8	< 0.7 > 2.2	< 0.4 > 1.2	
Special Measures Agreement	139.5	138.4	1.0	0.8	
Labor cost	114.0	113.1	0.9	0.8	Bear wage cost of USFJ employee
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	0.4	0.2	30.4	Bear expenses related to US fieldcarrier landing practices on Iwo Jima
Facilities improvement	< 19.5 > 20.6	< 21.0 > 20.6	< 1.5 > 0.0	< 7.6 > 0.1	Improvement of facilities of US forces in Japan (barracks, etc.)
Measures for USFJ employees, etc.	27.9	26.8	1.2	4.1	Employer's share of social insurance premiums, etc.
(3) Rental cost of facilities, compensation expenses, etc.	< 130.1 > 130.5	< 128.9 > 129.3	< 1.2 > 1.2	< 0.9 > 0.9	Rental cost of defense facility lands and compensation for loss of fishermen's income, etc.

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, %)

Items	FY 2010	FY 2011	YR/YR	Growth rate	Notes
	(A)	(B)	(C=B-A)	(C/A)	
1 Programs for land return	< 5,003 > 11,892	< 1,652 > 4,294	< 3,351 > 7,597	< 67.0 > 63.9	Implementation of measures included in the SACO final report  Relocation constructions and compensations associated with the relocation of US facilities and the return of those US facilities
2 Programs for training improvement	< 1,999 > 2,219	< 1,178 > 1,925	< 821 > 204	< 41.1 > 9.6	Transport of personnel associated with the relocation of live-fire artillery training over Highway 104 in Okinawa Prefecture to mainland Japan and facility construction to allow training to be implemented safely.
3 Programs for noise reduction	< 1,632 > 223	< 2,587 > 934	< 955 > 711	< 58.6 > 4.2x	Implementation of a noise reduction initiative
4 Programs to facilitate SACO operations	2,611	2,918	307	11.8	Programs to smoothly implement measures included in the SACO final report
Total	< 11,244 > 16,854	< 8,335 > 10,071	< 2,910 > 6,783	< 25.9 > 40.2	

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

(Unit: ¥ million, %)

Items	FY2010	FY2011	YR/YR	Growth rate	Notes
	(A)	(B)	(C=B-A)	(C/A)	
1 Projects for the relocation of the US Marine Corps from Okinawa to Guam	47,229	52,460	5,231	11.1	Promotion of the policies to appropriately and promptly implement measures related to the realignment based on the "Government's undertakings regarding the review of the force configuration of the U.S. forces in Japan, etc." (approved by the Cabinet on May 30, 2006) and the "Government's present undertakings regarding the items approved at the Japan-United States Security Consultative Committee on May 28, 2010" (approved by the Cabinet on May 28, 2010)  Funding for "Manizu" and Utilities projects, etc.
2 Realignment programs in Okinawa	< 1,536 > 5,284	< 6,597 > 1,873	< 5,060 > △3,411	< 4.3 × > 64.6	
(1) Relocation of Futenma Air Station	< 1,354 > 5,283	< 6,313 > 1,581	< 4,960 > 3,702	< 4.7 × > 70.1	Programs regarding the relocation of Futenma Air Station
(2) Return of land south of Kadena Air Base	< 182 > 1	< 283 > 292	< 101 > 291	< 55.3 > 583.4 ×	Programs regarding the return of land south of Kaneda Air Base
3 Operations regarding the restructuring of the US Army Command	< 5,098 > 1,162	< 6,725 > 8,982	< 1,627 > 7,820	< 31.9 > 7.7 ×	Operations regarding the return of portions of land, etc. at the Sagami General Depot
4 Operations for the relocation of the Carrier Air Wing	< 47,437 > 27,077	< 69,893 > 28,036	< 22,456 > 959	< 47.3 > 3.5	Operations regarding the relocation of the Carrier Air Wing from the Naval Air Facility Atsugi to Iwakuni Air Base
5 Operations for training relocation	847	995	148	< 17.5	Operations regarding the relocation of U.S. aviation training from the Kadena Air Base, etc. to mainland Japan
6 Operations to facilitate realignment measures	9,285	10,306	1,021	11	
(1) Realignment grant	9,210	9,792	582	6.3	
(2) Measures around base	75	514	439	6.8 ×	
Total	< 111,432 > 90,883	< 146,975 > 102,651	< 35,543 > 11,768	< 31.9 > 12.9	

Notes : 1 USFJ Related Expenses are totalled at ¥122,974 million <¥153,760 million> and are broken down as follows:

- 1) Reduction in expenses incurred locally 102,651 million <¥146,975 million>
- 2) Facility maintenance related to the reduced portion of the expenses incurred locally ¥ 13,476 million < ¥ 2,846 million>

Expenses related to Guam Relocation Office, etc. ¥ 736 million <¥736 million>

Naval Air Station Iwakuni 8,316 million <¥2,110 million>

Nyutabaru Airbase ¥ 4,424 million < ¥0.00 > (Project completed)

- 3) Measures for investments to maintain deterrence ¥ 6,847 million < ¥ 3,939 million>

2 Figures for equipment include the initial costs.

3 For the relocation of Futenma Air Station, Reserve Funds and Purpose-Undecided National Treasury Funds may be options to facilitate GOJ to take necessary procedures for contract as soon as the configuration etc. of the replacement facility is decided.



# Reference

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# 1 SUMMARY OF NATIONAL DEFENSE PROGRAM GUIDELINES for FY 2011 and beyond

## I. NDPG's Objective

The Government of Japan sets out the "National Defense Program Guidelines (NDPG) for FY 2011 and beyond" based on the current security environment surrounding our country.

## II. Basic Principles of Japan's Security

1. Japan sets out three security objectives: (1) to prevent and eliminate external threat from reaching Japan; (2) to prevent threats from emerging by improving international security environment; and (3) to create global peace and stability and to secure human security.
2. Japan will achieve these objectives by promoting "Japan's own efforts (IV-1)", "cooperation with its ally (IV-2)" and "multi-layered security cooperation with the international community (IV-3)" in a consolidated manner.
3. Japan will continue to uphold the basic principles of defense policy including the exclusively defense-oriented policy and the three non-nuclear principles.
4. Japan will participate more actively in international peace cooperation activities.
5. To address the threat of nuclear weapons, Japan will play active role in international nuclear disarmament and non-proliferation efforts, and will continue to maintain and improve the credibility of U.S. extended deterrence, with nuclear deterrent as a vital element, through close cooperation with the U.S.

## III. Security Environment Surrounding Japan

1. Number of so-called "gray zone" disputes (confrontations over territory, sovereignty and economic interests that are not to escalate into wars) is on the increase.
2. A global shift in the balance of power has been brought about by the rise of emerging powers and the relative change of the U.S. influence.
3. Issues such as sustained access to cyberspace, in addition to international terrorism and piracy, have become global security challenges.
4. North Korea's nuclear and missile issues are immediate and grave destabilizing factors to regional security.
5. Military modernization by China and its insufficient transparency are of concern for the regional and global community.
6. Russia's military activities are increasingly robust.
7. A full-scale invasion against Japan is unlikely to occur today, but the security challenges and destabilizing factors Japan faces are diverse, complex and intertwined.

## IV. Basic Policies to Ensure Japan's Security

### 1. Japan's Own Efforts

- (1) Japan will constantly utilize all means to ensure its security, and will seamlessly deal with various contingencies as it unfolds.
- (2) Japan will improve its capability to collect and analyze information, while strengthening the information security system.
- (3) Japan will make coordinated and integrated response to contingencies by rapidly making appropriate decisions.
- (4) After examining the current organization, functions, and structure of the Cabinet related to security issues, Japan will establish a body in the Prime Minister's Office dedicated to national security policy coordination among relevant ministers and for providing advice to the Prime Minister.
- (5) Japan will participate in international peace cooperation activities in a more efficient and effective manner. Taking into consideration the actual situations of UN peace-keeping operations, Japan will consider how it will participate in future peace-keeping operations, by examining current policies such as the five principles for participation in peace-keeping operations.
- (6) Japan will build a "Dynamic Defense Force" which supersedes "the Basic Defense Force Concept", the latter being a concept that places priority on ensuring deterrence through the existence of defense forces per se.
- (7) "Dynamic Defense Force" will increase the credibility of Japan's deterrent capability through raising levels of equipment use and increasing operations tempo. It will also enable Japan to play active roles in various occasions such as international peace cooperation activities.

## 2. Cooperation with its Ally

- (1) The Japan-U.S. Alliance is indispensable in ensuring for Japan's peace and security.
- (2) Japan will continue to engage in strategic dialogue with the United States to further deepen and develop the Japan-U.S. Alliance.
- (3) Japan will promote cooperation with the United States in new areas such as cyberspace security, in addition to the existing cooperation.
- (4) Japan will reduce the burden on local communities where U.S. military bases are located, while maintaining the deterrence provided by the U.S. forces.

## 3. Multi-layered Security Cooperation with the International Community

- (1) Japan will create a security network combining bilateral and multilateral security cooperation in the Asia-Pacific region.
- (2) Japan will enhance security cooperation with countries such as the Republic of Korea, Australia, ASEAN countries and India.
- (3) Japan will promote confidence and cooperation with China and Russia.
- (4) Japan will also enhance cooperation with EU, NATO and European countries on global security issues.

## V. Future Defense Forces

### 1. Roles of Defense Forces

- (1) Effective deterrence and response (e.g. ensuring security in the sea and air space surrounding Japan, responding to attacks on Japan's offshore islands.)
- (2) Efforts to further stabilize the security environment of Asia-Pacific region.
- (3) Efforts to improve the global security environment.

### 2. Self-Defense Forces: Force Posture

In order to effectively perform the roles of the defense forces, new force posture will be provided with, among others, increased readiness and smoother joint operations.

### 3. Self-Defense Forces: Organization, Equipment and Force Disposition

- (1) While reducing Cold War-style equipment and organizations, priority functions, including those in Japan's southwestern region, will be enhanced.
- (2) Budget allocation among each service of the Self-Defense Forces will be subject to drastic review.
- (3) As regards preparations against full-scale invasion, relevant knowledge and expertise will be maintained at a minimum necessary level.
- (4) Priority will be placed on, among others, enhancing basis for joint operations, improving capabilities to respond to attacks on off-shore islands, strengthening capabilities for international peace cooperation activities.
- (5) Details of organization, equipment and disposition of Ground Self-Defense Force, Maritime Self-Defense Force and Air Self-Defense Force are provided in the NDPG.

## VI. Basic Foundations to Maximize Defense Capability

- (1) Japan will utilize human resources of Self-Defense Forces more effectively and reform its personnel management system by such measures as reviewing rank and age structure.
- (2) Japan will procure equipment more efficiently by improving its contract and procurement systems.
- (3) Japan will set forth a medium- and/or long-term strategy to develop and maintain defense production capability and technological bases.
- (4) Japan will study measures to respond to changes in the international environment regarding defense equipment.

## VII. Additional Elements for Consideration

The NDPG provides the vision for the defense forces for approximately the next decade. Japan will review and, if necessary, revise it in case there are significant changes in circumstances.

(Attached Table)

Ground Self-Defense Force	Personnel		154,000
	Regular personnel		147,000
	Ready Reserve Personnel		7,000
	Major Units	Regionally deployed units	8 divisions 6 brigades
Mobile operation units		Central Readiness Force 1 armored division	
Surface-to-air guided missile units		7 anti-aircraft artillery groups/regiments	
Major Equipment	Tanks Howitzers and rockets	Approx. 400 Approx. 400	
Maritime Self-Defense Force	Major Units	Destroyer units	4 flotillas (8 divisions) 4 divisions
		Submarines units Minesweeper unit Patrol aircraft units	6 divisions 1 flotilla 9 squadrons
	Major Equipment	Destroyers Submarines Combat aircraft	48 22 Approx. 150
Air Self-Defense Force	Major Units	Air warning & control units	4 warning groups 24 warning squadrons 1 AEW group (2 squadrons)
		Fighter aircraft units Air reconnaissance unit Air transport units Aerial refueling/transport unit Surface-to-air guided missile units	12 squadrons 1 squadron 3 squadrons 1 squadron 6 groups
	Major Equipment	Combat aircraft Fighters	Approx. 340 Approx. 260
Assets capable of ballistic missile defense (BMD)*		Aegis-equipped destroyers	** 6
		Air warning & control units Surface-to-air guided missile units	11 warning groups/squadrons 6 groups

\* The numbers of units and equipment in this row are already included in the Maritime and Air Self-Defense Forces' major units sections above.

\*\* Additional acquisition of BMD-capable, Aegis-equipped destroyers, if to be provided separately, will be allowed within the number of destroyers set above after consideration of development of BMD-related technologies and fiscal conditions in the future, among other factors.



## 2 SUMMARY OF MID-TERM DEFENSE PROGRAM (FY2011-FY2015)

### I. Program Guidance

FY2011-15 defense build-up will be carried out, in accordance with the National Defense Program Guidelines (NDPG), to build “Dynamic Defense Force” with the following as guidance.

(1) The NDPG identifies three roles that Japan’s defense should fulfill: to effectively deter and respond to contingencies; to further stabilize the security environment of the Asia-Pacific, and; to improve global security environment. To be able to engage swiftly and seamlessly in activities to fulfill these roles, emphasis will be given to, among others, enhanced joint-ness, enhanced operational capability in remote islands, and enhanced capacity for international peace cooperation activities.

(2) Resource allocation priority will be given to those functions that are: versatility; asymmetric response, and; irreplaceability. To hedge against full-scale invasions, relevant posture including knowledge and expertise will be maintained at a minimum necessary level.

(3) In order to efficiently build a quality defense force, combine the introduction of highly capable equipment and service-life extension and upgrading of existing equipment.

(4) Overhaul existing personnel management regimes to economize personnel expenses and rejuvenate SDF personnel for better robustness, with an eye to an effective buildup of defense capabilities. Further promote procurement reforms for more efficient mobilization.

(5) For further deepening and development of the Japan-U.S. Alliance, various steps will be taken to strengthen the Japan-U.S. security arrangements.

(6) In view of increasingly tighter fiscal conditions, seek further economization and rationalization and check expenditures. Conduct bold revision of resource allocation for three services and make focused investments in critically necessary functions, thereby bringing about structural reform of the defense force.

### II. Revision of SDF Organization/Force Disposition

#### 1 Ground Self-Defense Force (GSDF)

– Reduction in tanks, howitzers and rockets; Increased mobility; reorganization of operational units; Stationing of units in island areas of southwestern Japan

#### 2 Maritime Self-Defense Force (MSDF)

– Regionally-deployed destroyer units will become mobile units; Measures for expanding submarine fleet

#### 3 Air Self-Defense Force (ASDF)

– Shift one fighter squadron to Naha Air base as its second squadron; New ASDF Yokota base (Air Defense Command will move to Yokota)

#### 4 Authorized Number of SDF personnel at the End of FY2015

– Regular personnel: approx. 246,000 (approx. 2,000 decrease from end-of-FY2010 strength)

– GSDF: approx. 157,000 (active-duty: approx. 150,000, ready-reserve: approx. 7,000)

– MSDF & ASDF: equivalent to end-of-FY2010 strength

### III. Major Programs Regarding SDF’s Capabilities

#### 1. Effective Deterrence and Response

– Ensuring security of sea and air space around Japan (Service-life extension for destroyers, submarines, and patrol aircraft)

– Countering attack against island areas (Maintenance of new fighter aircrafts and the implementation of mobilization training)

– Countering Cyber Attacks (Protection improvement of SDF’s information and telecommunication network)

– Countering Special Operation Forces Attacks/Guerilla Warfare (Maintenance of multi-purpose helicopters and nuclear, biological and chemical reconnaissance (NBC) vehicles, etc.)

– Countering Ballistic Missile Attacks (Upgrade of Aegis and Patriot missile systems and Japan-US joint development of ballistic missile defense (BMD) interceptors)

– Response to “Complex” Contingencies (Improved command & control and logistic support)

– Response to Large-Scale and Special Disasters (Coordination, training, and planning with related organizations, etc.)

2. Further Stabilization of Security Environment of the Asia-Pacific

- Sustained steady-state ISR activities and timely, tailored training & exercises;
- Development of layered bilateral and multilateral security dialogues, defense cooperation and exchange, and multinational training/exercise to promote regional security architecture.
- Promotion of capacity-building in non-traditional security areas by leveraging SDF capabilities such as military medicine and explosive ordnance disposal.

3. Improvement of Global Security Environment

- Actively engage in international peace cooperation activities
- Review the modality of Japan's participation in United Nations peacekeeping to include the "Five Principles"
- Promote capacity-building, counter-terrorism measures, maritime security, and maintenance of maritime order
- Study impacts of climate change and resource gaps on security and operational environments

4. Focus Areas for Capability Development

- Joint Operations (Integrated and effective response by three services in countering attacks against island areas and security of air and maritime spaces)
- International Peace Cooperation Activities (Improve function of the GSDF Central Readiness Force, improvement of transportation capability and DDH)
- Intelligence (Improvement of information gathering facilities, hardware, and devices)
- Science & Technology (Improvement of countering cyber attacks, research and development)
- Medical (Upgrading SDF hospitals as hub facilities, recruitment of qualified medical experts, etc.)

5. Infrastructure for Defense Force

- Human resources (Improvement of training infrastructure and educational training. Reform of the National Defense Academy, etc.)
- Reform of personnel management system (Improvement of the reviewing age and rank distributions for stronger defense capabilities, management of the number of SDF personnel according to each rank, new personnel appoint system and early retirement system for logistic support function)
- Streamlining logistics including business in camps and bases
- Maintenance and development of infrastructure of defense industry and technology (making strategy on infrastructure of defense industry and technology, etc.)
- Exploring measures to deal with changes in international environment surrounding military equipment
- Acquisition reform (improving contract system, etc.)
- Improvement of operational infrastructure for equipment (Secure fuel and parts for operations, introducing new contract system, etc.)
- Cooperation with local communities and related organizations (closer cooperation with related organizations; measures to alleviate the impact of bases)

IV. Measures for Strengthening Japan-U.S. Security Arrangements

- Strategic dialogues and policy coordination, strengthening the Japan-U.S. defense cooperation, and measures for smooth and effective stationing of US Forces in Japan, etc.

V. Quantities of Major Procurement

Detailed quantities of major procurement : see Annex Table.

VI. Expenditures

- (1) The ceiling on total expenditures required for implementing the plan is ¥23,490 billion, which includes (3).
- (2) Annual defense budgets will be allocated under a five-year total of approx. ¥23,390 billion.
- (3) In cases where a response is required in unexpected situations, a fund with a ceiling of ¥100 billion that is separate from (2) is available after obtaining an approval from the Security Council.

Annex Table

Service	Equipment	Quantity
Ground Self-Defense Force	Tanks	68
	Howitzers and rockets (except mortar)	32
	Armored Vehicles	75
	Ground-based anti-ship missile launchers	18
	Attack helicopters (AH-64D)	3
	Transportation helicopters (CH-47JA)	5
	Middle-range SAM batteries	4
Maritime Self-Defence Force	Modification of Aegis-equipped destroyers	2
	Destroyers	3
	Submarines	5
	Other ships	5
	Total new ships (Tonnage)	13 51,000t
	Fixed-wing patrol aircraft	10
	Patrol helicopters	26
	Minesweeping/transportation helicopters	5
Air Self-Defense Force	Improvement of capability of Patriot SAM batteries	1
	Modernization of F-15	16
	New fighters	12
	New transportation aircraft	10



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