



Defense Programs and Budget of Japan

Overview of FY2014 Budget Request

Ministry of Defense

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

Defense Programs and Budget of Japan

Overview of FY2014 Budget Request

- Contents -



Concept of FY2014 Budget Request	1
Defense Posture Review Interim Report	2
I Enhancement of Defense Posture in the Southwest and Other Regions	4
(1) Strengthen ISR capabilities	4
① Enhancement of warning and surveillance capability including the Southwest region of Japan	
② Enhancement of information gathering, warning and surveillance capabilities in the waters surrounding Japan	
③ Development of warning and observation systems along the border	
④ Research for the introduction of high-altitude long endurance unmanned aircraft	
(2) Respond to attacks on remote islets	8
① Development of amphibious capability	
② Enhancement of transportation capability and mobility for rapid deployment	
③ Ensuring air superiority	
④ Ensuring sea superiority and safety of maritime transportation	
⑤ Improvement of SDF posture in the southwest region of Japan	
(3) Respond to ballistic missile and guerilla/special force attacks	14
① Respond to Ballistic Missile Attacks	
② Respond to guerilla/special force attacks	
(4) Respond to cyber attacks	16
① Improvement/enhancement of operational infrastructure	
② Development/enhancement of structure	
③ Human resource development	
④ Enhancement of partnerships with other countries and private enterprises	
(5) Respond to large-scale natural disasters	18
① Maintenance/enhancement of functions of military camps/bases to serve as hubs of disaster response	
② Implementation of exercises, etc. to respond to large-scale and unconventional disasters	
③ Acquisition, etc. of equipment contributing to disaster response	
(6) Strengthen joint operations	19
① Strengthening of command, control and communication functions	
② Enhancement of education and training	
(7) Strengthen intelligence capabilities	21
(8) Promote use of outer space	22
II. Strengthen Japan-U.S. alliance	23
(1) Measures for reducing the burden on local communities	
(2) SACO-related cost	
III. Promote cooperation in Asia-Pacific region and stabilize the global security environment	24
(1) Promotion of cooperation in the Asia Pacific	
(2) Initiatives for stabilization of the global security environment	
IV Other	26
(1) Restructuring and Organizational Quota Changes	26
(2) Promotion of Base Measures	27
(3) Strengthen Education and Research System	28
(4) Measures concerning personnel education	29
(5) Promotion of technological research and development	30
V Streamlining Initiatives	31
(1) Review of maintenance methods	
(2) Bulk purchase of equipment	
(3) Use of civilian goods and review of specifications	
(4) Medium- to long-term measures for streamlining the procurement of equipment, etc.	
VI MOD reform	34
(1) Direction of the MOD reform	
(2) FY2014 budget request programs related to the MOD reform	
Major equipment	37
Defense-related expenditures	43

Concept of FY2014 Budget Request

1. The 2014 budget will be requested based on the discussions conducted by the Defense Posture Review Commission on the National Defense Program Guidelines which is scheduled to be revised by the end of this year.
2. Japan will improve its defensive power, focusing on the priority issues listed in the “Defense Posture Review Interim Report” in order to strengthen our defense posture in the current security environment, including the southwest region of Japan. Current issues are: strengthening ISR capabilities; responding to attacks on remote islets; responding to ballistic missile and guerilla/special force attacks; responding to cyber attacks; large-scale natural disaster response; strengthening joint operations; strengthening intelligence capabilities, and; promoting use of outer space.
3. In light of the current fiscal austerity, Japan will promote efficient equipment acquisition efforts.

Defense Posture Review Interim Report

Background

Provisional Translation

- Given the following developments, GOJ decided to **review the National Defense Program Guidelines (NDPG) by the end of 2013**, and the Ministry of Defense (MOD) **established the "Defense Posture Review Commission" in January**.
- **The regional security environment has become more tense**, evidenced by **China's increasing activities in Japan's vicinity** as well as **North Korea's missile launches**
- The **U.S.** is emphasizing its presence in the Asia-Pacific in cooperation with allies including Japan
- Lessons from SDF's activities following the **Great East Japan Earthquake** need to be addressed
- The Commission focused on development of joint operations and made an **interim report on the directions and issues through its deliberations**. The report was briefed to the Defense Council on July 26.

Summary of Interim Report

1. **Security environment:** Global and surrounding security environment of Japan ([next page](#))

2. **Japan's own efforts:** Strengthen government-wide comprehensive efforts

3. **Strengthen Japan-U.S. alliance:**

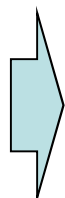
- Further strengthen defense cooperation through discussions of roles and missions Japan should carry and review of Guidelines for U.S.-Japan Defense Cooperation
- Steadily proceed with realignment of U.S. Forces Japan, maintain U.S. deterrence while mitigating local impact in particular on Okinawa

4. **Promote cooperation in Asia-Pacific region and stabilize global security environment:**

- Strengthen cooperation with U.S., Australia, South Korea; promote dialogue and exchanges with China and Russia; expand capacity building assistance
- Stabilize security environment in cooperation with international community including NATO; actively promote international peace cooperation activities

5. **Defense posture:** ([next page](#))

- Conduct capability assessment based on joint operations to ensure effectiveness of defense posture in responding to various contingencies. Based on the assessment so far, areas to be emphasized for defense build-up are as follows:



- | | |
|---|--|
| - Strengthen ISR capabilities | - Respond to attacks on remote islets |
| - Respond to BM and guerilla attacks | - Respond to cyber attacks |
| - Respond to large-scale natural disasters | - Strengthen joint operations |
| - Strengthen intelligence capabilities | - Promote use of outer space |
| - Strengthen capability to operate overseas | - Active efforts for maritime security |

6. **Foundations for defense capabilities:**

- **Exercises and training:** Continuously verify various contingency response plans through regular exercises in peacetime; make full use of environment that enables sufficient exercises (i.e. Hokkaido)
- **Operational foundation:** Strengthen resilience of bases and others; maintain facilities/lodgings; secure ammunition; raise operational rate
- **Human resources:** Deepen consideration of various human resource management measures (including expanding reserves)
- **Military medicine:** Modernize and functionally upgrade military medicine; improve medevac capabilities in contingency situations
- **Defense production and technology base:** Maintain and strengthen defense production and technology base; examine status of implementation of three principles on arms exports and take necessary measures; conduct future-oriented R&D including on unmanned equipment such as robots, cyber, and outer space
- **Strengthen cooperation with local communities:** Consider status of local offices
- **Public relations**

7. **Linkage with MOD reform:**

- MOD reform being discussed in separate "MOD Reform Commission" established in February this year
- To prevent recurrence of incidents of misconduct and make the SDF more active and efficient, promote reforms to ensure that civilian and uniformed staff work together, strengthen joint operations, and pursue an efficient workflow and organization for defense build-up with optimal resource allocation from joint and whole-of-SDF perspectives. (Beyond individual service-led resource allocation)

8. **Point of note:**

- Annex table for force structure should be maintained from perspective of defense build-up from mid- to long-term outlook

Interim Report Main Points

Security environment

Various security issues and instability factors (see below) have emerged and intensified since the 2010 NDPG, while the importance of preparing for large-scale disasters has been reconfirmed domestically.

- Prolonged gray zone situations or possibility of situational deterioration
- China's lack of transparency in its broad and rapid military modernization as well as rapid expansion and intensification of maritime activities
- North Korea's further nuclear and missile development
- Increased possibility of obstruction of stable use of cyber space etc.

Direction of SDF defense build-up to be prioritized

Given the increasingly tense environment, MOD has conducted **capability assessments based on joint operations**, focusing on the SDF's functions and capabilities as a whole, to establish functions and capabilities that should be prioritized, in order to pursue more effective build-up of defenses. The MOD will actively conduct defensive improvements **from a joint and overall perspective**, by **clarifying prioritized issues for future defense build-up**. Major issues to be prioritized are as follows.

Strengthen ISR capabilities

*The following are examples of current priorities.

- Improvement of early detection capability in various contingencies. Consider such measures as **introducing HALE-UAVs** that would contribute to strengthening wide-area persistent ISR capability.

Respond to attacks on remote islets

- To effectively respond to attacks on remote islets, **air superiority and command of the sea must be maintained**. To rapidly deploy troops as the situation unfolds, **mobile deployment capability and amphibious capability** are also important.
- To steadily build-up such mobile deployment capability, consideration of the optimal deployment posture of troops and equipment, **joint transport, utilizing civilian transport capacity**, creating supply bases, and properly equipping the new unit for the amphibious mission are important.

Respond to ballistic missile and guerilla/special force attacks

- Given North Korea's improved ballistic missile capability, consider **strengthening deterrence and response capability** by **improving Japan's comprehensive defense posture against ballistic missile threats**, thereby enhancing **comprehensive response capability**. In addition, consider building an operational foundation in case of simultaneous special force attacks that occur under a ballistic missile attack, as well as capability to protect critical infrastructure such as nuclear power plants.

Respond to cyber attacks

- As no organization can single-handedly defend itself from cyber attacks, consider appropriate **division of responsibilities among government ministries** as well as strengthening **coordination and cooperation with countries such as the U.S. and with the private sector**. Additionally, consider policies to steadily introduce necessary equipment and **train specialists**.

Respond to large-scale natural disasters

- **Secure necessary transport capacity** to enable **large-scale, rapid deployment** of troops, and **enhance training and exercises**, in order to be fully prepared for earthquakes such as the Nankai Trough Great Earthquake and Tokyo Inland Earthquake that are expected to occur in the future.

Strengthen joint operations

- Given the importance of joint operations, reconsider the capabilities and the role of the Joint Staff, and deepen consideration of **establishing a central command organization of the GSDF** and defining the relationship of this organization with the regional Army organizations.

Strengthen intelligence capabilities

- Consider **strengthening human intelligence collection functions** including defense attachés, **expanding collection functions** including geospatial intelligence, and fundamentally strengthening the programs which secure and develop information analysts.

Promote use of outer space

- Deepen consideration toward **use of outer space to strengthen C4ISR* capabilities**, through such means as coordination with countries such as the U.S. on **space situational awareness** and effective use of various satellites.

*C4ISR: Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance

Notes 1: Numbers in the text represent [expenses, excluding non-recurrent costs](#), required for the production of equipment, unless otherwise specified.

2: Numbers in the text are [on a contract basis](#), unless otherwise specified.

3: The words in [blue letters](#) in the text indicate [new programs](#).

I Enhancement of Defense Posture in the Southwest and Other Regions

In order to enhance our defense posture especially in the southwest region, Japan will develop the defense power necessary to strengthen ISR capabilities, respond to attacks on remote islets, ballistic missile and guerilla/special force attacks, cyber attacks and large-scale natural disasters, strengthen joint operations, strengthen intelligence capabilities, and promote use of outer space.

(1) Strengthen ISR capabilities

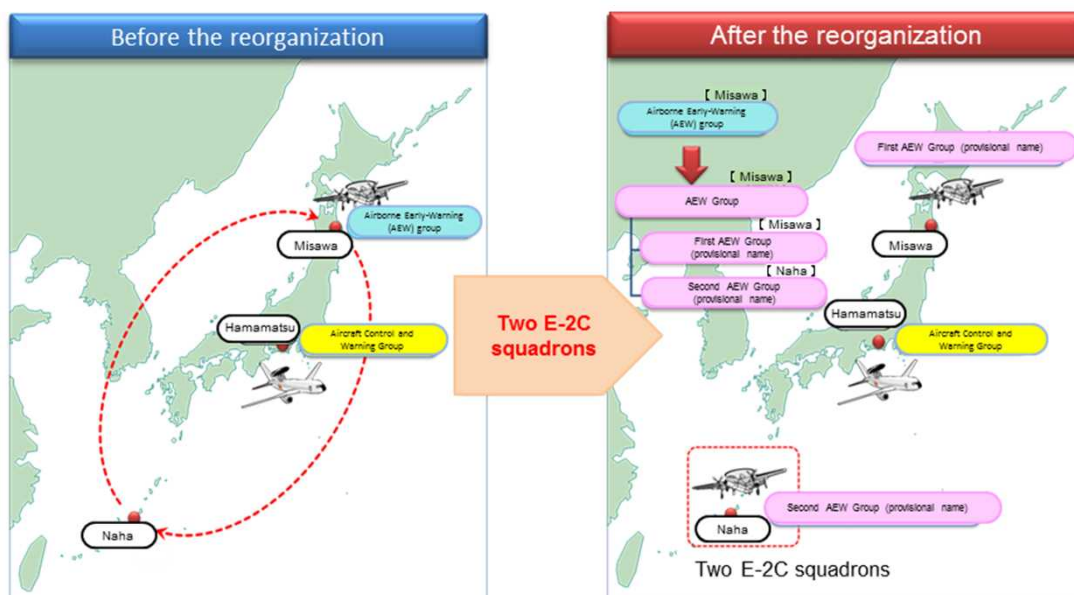
Improvement of early detection capability in various contingencies. In this vein, consider such measures as **introducing HALE-UAVs** that would contribute to strengthening wide-area persistent ISR capability

① Enhancement of warning and surveillance capability including the Southwest region of Japan

- Study for introduction of airborne early-warning aircraft (¥4 million)
 - Conduct studies on performance, operations, etc. of new airborne early-warning aircraft toward their introduction so as to enhance the warning and surveillance capability in the surrounding airspace, including the southwest region.
 - *Start a full-scale research study with the purpose of requesting the budget related to the introduction of new airborne early warning aircraft in FY2015.
- Improvement of the capability of Airborne Warning And Control System (AWACS)(E-767) (¥13.6 billion)
 - Implement a project for the conversion of central computing devices, etc. and installation of electronic warfare support measures in order to improve the warning and control capability of the existing E-767.
 - Acquire necessary parts for improving the capability of 4 aircraft in FY2014.
- Reorganization of the AEW group
 - In order to develop a system for stable implementation of unceasing and continuous warning and surveillance in the southwest region, reorganize the AEW group to establish the second Airborne Early-Warning Group (provisional name) consisting of AEWA (E-2C) at Naha Base.



Airborne Warning And Control System (AWACS) E-767



- Acquisition of maintenance equipment for the establishment of the Second Airborne Early Warning Group (provisional name) (¥1.3 billion)
 - Acquire maintenance equipment used at Naha Base for maintenance necessary for establishment of the group.

② Enhancement of information gathering, warning and surveillance capabilities in the waters surrounding Japan

- Acquisition of fixed-wing patrol aircraft (P-1) (4 units: ¥ 77.3 billion)
 - Acquire P-1 with improved detection/discrimination capability, flight performance, information processing capability, and attack capability as a successor to existing fixed-wing patrol aircraft (P-3C).



Fixed-wing patrol aircraft P-1

- Construction of a destroyer (DD) (1 ship: ¥ 73.3 billion)
 - Construct the second 25DD-class multi-purpose destroyer (5,000t class) with improved capability to detect submarines and higher fuel efficiency, in response to a reduction of Hatsuyuki-class destroyers



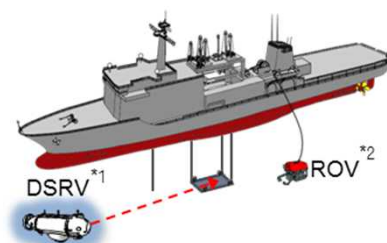
*FY 2014 Destroyer (5,000t class)
(Graphic Image)*

- Construction of a submarine (SS) (1 ship: ¥ 51.3 billion)
 - Construct the 10th Soryu-class submarine (2,900t class) to increase the number of submarines from the current 16 ships.



*Soryu-class submarine
(2,900t class)*

- Construction of a rescue ship for multiple purposes, including disaster relief activities (1 ship: 50.8 billion)
 - Construct a new submarine rescue ship (ASR: 5,600 t class) to succeed the submarine rescue mother ship “Chiyoda” for the rescue of submarine crews in case of an accident and provision of medical and other support to victims of a large-scale disaster.
 - In preparation for a large-scale disaster, enhance medical functions including two surgical beds and about 10 sickbeds for use as a base for medical, assisted living and bathing support to victims.
 - When a water accident, etc. has occurred, divers with high level of saturation diving skill will search for missing persons while ROV will check the condition of sunken ships



*FY2014 submarine rescue ship
(5,600t class) (Graphic Image)*

*1 DSRV (Deep Submergence Rescue Vehicle): deep sea rescue ship that goes underwater to rescue crews from submarines in distress

*2 ROV (Remotely Operated Vehicle): remote-controlled unmanned probe to check the condition of submarines in distress and assist rescue by DSRV

○ Life extension of destroyers

(life extension work for 6 ships and parts procurement for 11 ships: ¥10.0 billion)

- Implement life extension measures of Hatsuyuki-class (5 ships), Asagiri-class (5 ships), Abukuma-class (6 ships), and Hatakaze-class (1 ship) destroyers to maintain the posture of destroyers

○ Life extension of submarines

(life extension work for 1 ship and parts procurement for 2 ships: ¥0.6 billion)

- Carry out life extension measures for Oyashio-class submarine in order to increase the number of submarines from current 16 ships.



Oyashio-class submarine

○ Life extension of fixed-wing patrol aircraft (P-3C) (3 units: ¥1.5 billion)

- Implement life extension measures for P-3C to maintain the number of fixed-wing patrol aircraft

○ Capability improvement for fixed-wing patrol aircraft (P-3C) (¥1.2 billion)

- Install devices necessary to improve capabilities of radars and infrared detection systems in order to improve detection/discernment capability of fixed-wing patrol aircraft (P-3C)



Capability improvement for fixed-wing patrol aircraft (Graphic Image)

○ Study and research on the compatibility of ship-based unmanned aircraft with MSDF vessels (¥2 million)

- Conduct study and research on existing unmanned aircraft that can be used on a vessel, including the technical trends, flight performance of each type, operability, on-board equipment such as weapons and sensors, and compatibility with MSDF vessels with a view to their introduction.



Ship-based unmanned aircraft (Graphic Image)

③ Development of warning and observation systems along the border

- Deployment of a coastal observation unit, etc. to Yonaguni Island (¥15.5 billion)
 - Acquire early detection coastal observation devices capable of observing ships and aircraft passing through surrounding areas in preparation for the establishment of coastal observation unit.
 - In addition, start the construction of government buildings based on the design and site preparation works which is to be implemented in FY2013.



Deployment of a coastal observation unit, etc. to Yonaguni Island

④ Research for the introduction of high-altitude long endurance unmanned aircraft

- Research for the introduction of HALE-UAVs (¥0.2 billion)
 - Carry out analysis of performance information, etc. for the HALE-UAVs that would contribute to improved wide-area persistent ISR capability, and limiting danger to and burdens on crews.

*Start a full-fledged research study with the purpose of requesting the inclusion of HALE-UAV-related expenses in the FY2015 budget.

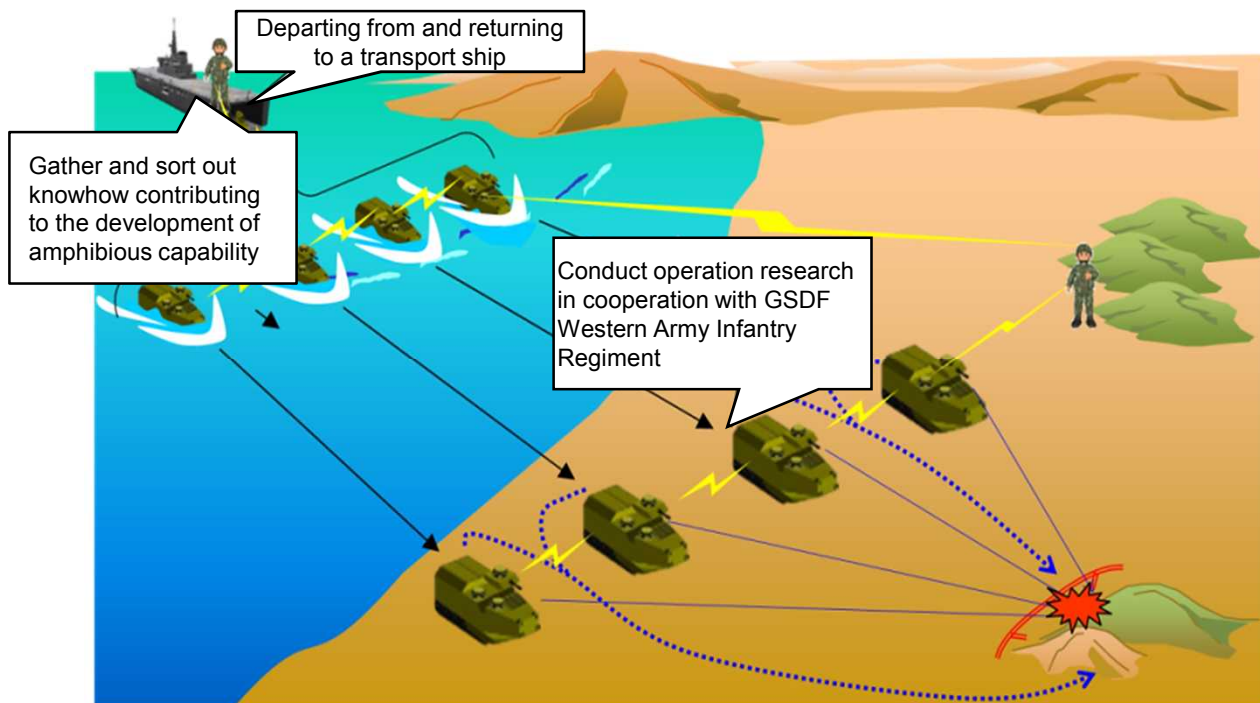
(2) Respond to attacks on remote islets

To effectively respond to attacks on remote islets, **air superiority and command of the sea must be maintained**. To rapidly deploy troops as the situation unfolds, **mobile deployment capability and amphibious capability** are also important.

To steadily build-up such mobile deployment capability, consideration of the optimal deployment posture of troops and equipment, **joint transport, utilizing civilian transport capacity**, creating supply bases, and properly equipping the new amphibious unit for the amphibious mission are important.

① Development of amphibious capability

- Establishment of the Amphibious Preparatory Unit (provisional name)
 - In order to establish units specialized in amphibious operations as soon as practicable, formulate the Amphibious Preparatory Unit (provisional name) in GSDF, gather and organize pertinent information contributing to the development of amphibious capability through various kinds of verification of amphibious vehicles, etc.



Operational image of the Amphibious Preparatory Unit (provisional name)
(Graphic Image)

- Develop education and training bases for the enhancement of amphibious capabilities (1.5 billion)
 - Create the education and training foundations critical to the early development and eventual realization of a fully-capable amphibious unit.
 - ▽ Install new equipment for emergency escape training from a helicopter.
 - ▽ Install new equipment for water infiltration training.



Equipment for emergency escape training
(Graphic Image)

- Enhancement of vessel's amphibious capabilities (¥0.4 billion)
 - Upgrade MSDF Osumi-class transport vessels to enhance transport capability related to amphibious operations.
 - In FY2014, apply nonslip paint on LCAC deck, which is necessary for the storage of amphibious vehicles, in addition to trial design, etc. for large-scale upgrading in the future.
 - In order to strengthen command functions in amphibious operations, install electronic conference equipment, etc. in the multipurpose compartment of Izumo-class destroyers.



Izumo-class destroyer



Osumi-class transport vessel

- Purchase of samples of amphibious vehicle (2 units: ¥1.3 billion)
 - Begin development of amphibious capability to recapture remote islets in preparation for response to illegal operations and island invasions.
 - In FY2013 budget, acquire sample AAV7RAM/RS (personnel transport) to examine its performance, including sea mobility and defense capability, operation records in other countries, early availability, etc.
 - In FY2014, in addition to checking the performance and testing the operation of AAV7RAM/RS mentioned above, acquire additional variations; one command and communication vehicle, and one recovery vehicle.



Amphibious vehicle
(command & communication)
(Graphic Image)



Amphibious vehicle
(recovery)
(Graphic Image)

- Implementation of field training exercises in the U.S. for enhancement of amphibious capability
 - Bilateral field training exercise with U.S. Marine Corps in the U.S. (Iron Fist)
Send GSDF units to the area around Camp Pendleton, California, USA, in order to maintain and improve tactical capabilities necessary for operations on remote islets as well as enhance mutual cooperation with U.S. Marine Corps through actual actions.

- GSDF's participation in RIMPAC

In addition to MSDF, which has been participating in the exercise, also send GSDF units to the Rim of the Pacific Exercise (RIMPAC), which is organized by the U.S. Navy and has many participating countries, to engage in various exercises, including humanitarian assistance and disaster relief operations, together with the U.S. Marine Corps and other participants.



Bilateral field training
exercise with U.S. Marine
Corps in the U.S.

② Enhancement of transportation capability and mobility for rapid deployment

- Research study for the introduction of tiltrotor aircraft (¥0.1 billion)
 - Analyze performance information of tiltrotor aircraft and its key procedures after the possible introduction of the aircraft.
 - *Start a full-scale study with the aim of requesting the budget related to the acquisition of tiltrotor aircraft in FY2015.
- Acquisition of transport helicopter (CH-47JA) to enhance air mobility and transport capability (2 unit: ¥ 11.4 billion)
- Restoration of transport helicopters (CH-47J) to maintain tactical aircraft capacity (1 unit: ¥3.5 billion)
 - Extend the total flight time of transport helicopters (CH-47J) to that of new ones while extending their flying range
- Acquisition of multipurpose helicopter (UH-60JA) (1 unit: ¥3.8 billion)
- Acquisition of Transport aircraft (C-2) with improved flying range and increased cargo weight capacity, which will contribute to large-scale deployment, as a successor to existing transport aircraft (C-1) (3units:¥ 60.3 billion)



*Tiltrotor aircraft
(Photo of V—22 Osprey)*



Transport helicopters (CH-47JA)



Multipurpose helicopter(UH-60JA)



Transport aircraft (C-2)

- Promotion of measures enhancing civilian transport capacity
 - Implement exercises actively using civilian transport capacity (charter ships) in order to enhance mobile deployment capabilities (GSDF) (¥1.1 billion)
 - Study on measures to utilize civilian transport capacity in mobile deployment (Joint Staff (JS)) (¥50 million)
- Army-size field training exercises (GSDF)
 - In order to ensure prompt and effective response to various contingencies including a possible attack on remote islets, implement unit deployment exercises at army level to enhance its mission readiness.
- Combined long-distance Mobilization Exercise (GSDF)
 - Implement unit deployment exercises to, Kyushu and Okinawa, as well as Hokkaido which have ideal training environments, to accomplish MSDF and ASDF coordination training.



Transportation using a civilian ship

③ Ensuring air superiority

- Acquisition of next-generation fighter aircrafts (F-35A)
(4 units: ¥69.3 billion*)

* ¥56.0 billion is allocated separately as the initial expense for expanding the industrial participation of domestic corporations.

* ¥37.4 billion is allocated separately for other related expenses (equipment for education, etc.)



*Next-generation fighter (F-35A)
(picture is the same type aircraft)*

- Development of education/training facilities for stationing next-generation fighters (F-35A) at Misawa (¥2.7 billion)
- Fighter aircraft upgrades (¥38.6 billion) Upgrade capabilities of existing fighters to adapt to the modernization of the aerial combat capabilities of neighboring countries and to appropriately carry out air defense operations.
 - Modernize F-15 (12 units: ¥15.0 billion)
 - Improve self-defense capability of F-15 (1 unit: ¥2.5 billion)
 - Upgrade on-board NVG*¹ of F-15 (1 unit: ¥80 million)
 - Improve F-2 air-to-air combat capability (¥13.2 billion*²)
 - Add JDAM*³ function to F-2 (4 units: ¥1.1 billion)
 - Trial upgrading of F-2 with on-board targeting pod (1 unit (trial upgrading expense: ¥6.7 billion*⁴))

*¹ NVG (Night Vision Goggles): night vision equipment

*² Including acquisition of radars for upgrading (30 sets: ¥9.4 billion) in addition to fuselage upgrading (12 units: ¥3.8 billion)

*³ JDAM (Joint Direct Attack Munition): bomb with pinpoint guidance

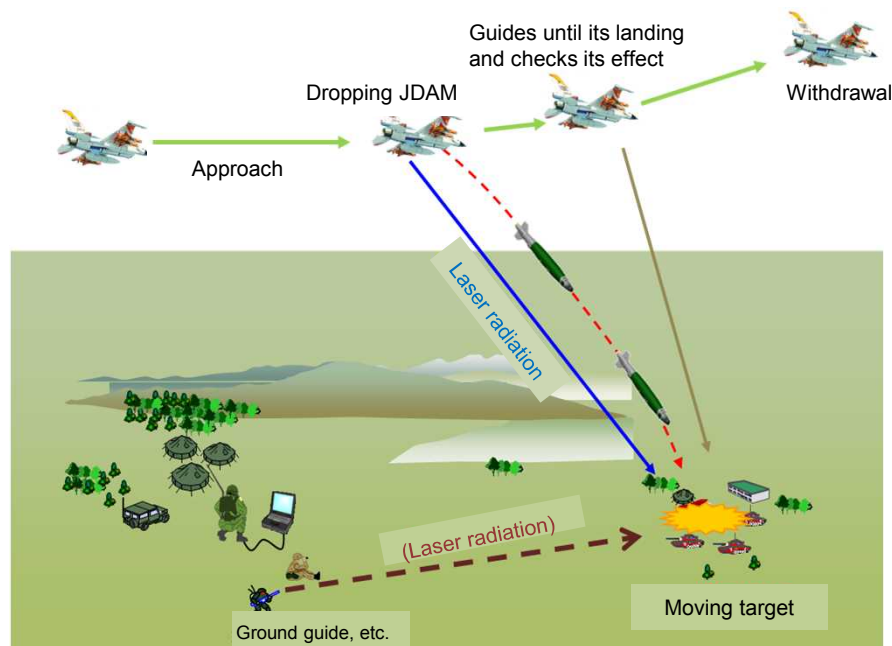
*⁴ Several hundred million yen per unit is expected for mass upgrading.



F-15 fighter aircraft



F-2 fighter aircraft



Example of targeting pod operation (Graphic Image)

- Development of facilities and acquisition of maintenance equipment to increase the number of squadrons at Naha Air Base to 2 (ASDF) (¥ 5.3 billion)

④ Ensuring sea superiority and safety of maritime transportation

- Construction of a destroyer (DD) (repost)
- Construction of a submarine (SS) (repost)
- Construction of a rescue ship for multiple purposes, including disaster relief activities (repost)
- Construction of an ocean minesweeper (1 ship: ¥ 17.4 billion)
 - Construct a second 25MSO-class ocean minesweeper (690t class), based on a FRP hull while enhancing its detecting capabilities against submarine-targeted deep-water mines.
- Acquisition of patrol helicopters (SH-60K) (4 units: ¥25.6 billion)
 - Acquire patrol helicopter SH-60K with improved capability to detect submarines and increased attack capability as a successor to existing patrol helicopter SH-60J.
- Acquisition of fixed-wing patrol aircraft (P-1) (repost)
- Life extension of patrol helicopters (SH-60J) (2 units: ¥1.1 billion)
 - Implement life extension measures for SH-60J to maintain the posture of patrol helicopters
- Life extension of fixed-wing patrol aircraft (P-3C) (repost)



*FY2014 Ocean minesweeper
(690t class)
(Graphic Image)*



Patrol helicopter SH-60K



Patrol helicopter SH-60J

⑤ Improvement of SDF posture in the southwest region of Japan

- Acquire a variety of equipment for early enhancement of defense posture in the southwest region
 - Acquire Type-12 surface-to-ship guided missile with improved range and accuracy as a successor to the existing Type-88 surface-to-ship guided missile (16 units: ¥30.2 billion)
 - Acquire middle-range multi-purpose missiles (18 sets: ¥7.1 billion)
 - Acquire LJDAM guidance system (13 sets: ¥90 million)
Equip GSDF with laser guidance systems to provide ground-based guidance for LJDAM* dropped by ASDF F-2 and implement joint fire power guidance by GSDF and ASDF
 - * LJDAM : Laser Joint Direct Attack Munitions
 - Acquire 60mm mortar (B) (12 sets: ¥20 million)



Type-12 surface-to-ship
guided missile



Middle-range
multi-purpose missile



L JDAM guidance system
(illustration)



60mm mortar (B)

- Study the establishment of first response units (¥60 million)
 - Develop a basic concept* for the establishment of first response units in charge of initial response in order to ensure response to various situations, including disasters in the southwestern region based on the results of the potential location survey to be conducted in FY2013.
 - *The basic concept includes the development of a rough facility layout plan and construction time schedule as well as a rough estimation of construction costs to be used as the basis for later works.
- Reorganization of the AEW group (repost)

(3) Respond to ballistic missile and guerilla/special force attacks

Given North Korea's improved ballistic missile capability, consider **strengthening deterrence and response capability** by **improving Japan's comprehensive defense posture against ballistic missile threats**, thereby enhancing **comprehensive response capability**. In addition, consider building an operational foundation in case of simultaneous special force attacks that occur under a ballistic missile attack, as well as capability to protect critical infrastructure such as nuclear power plants.

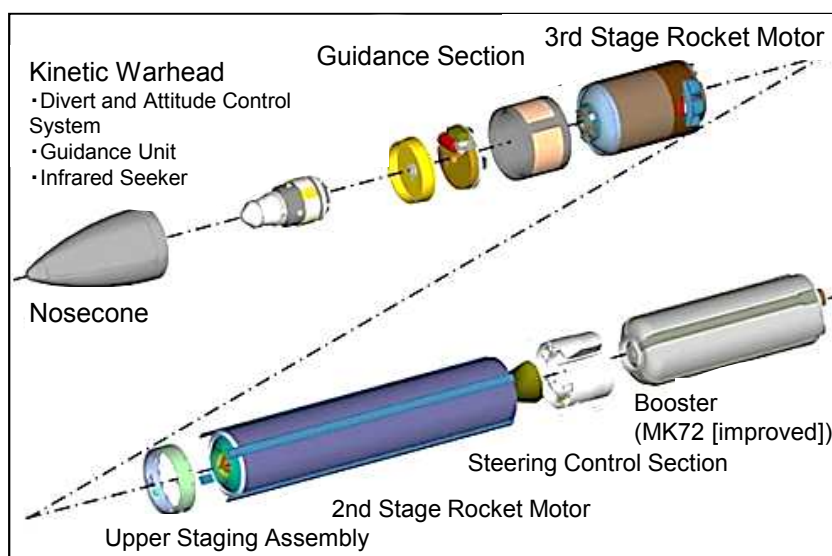
① Respond to Ballistic Missile Attacks

BMD-related budget: ¥59.8 billion

- Upgrade of Aegis ships' capability (2 ships: ¥10.2 billion)
 - Continue upgrading two Atago-class destroyers with ballistic missile defense capability, which started in FY2012.
- Acquisition of PAC-3 missiles (¥11.3 billion)
 - Acquire necessary PAC-3 missiles and enhance defensive capabilities against ballistic missile attacks.
- Japan-U.S. cooperative development of Advanced BMD Interceptor Missile (SM-3 Block IIA) (¥5.1 billion)
 - To improve capabilities against ballistic missile attacks, Japan and the U.S. will continue their cooperative development of an Advanced BMD Interceptor Missile (SM-3 Block IIA) to be deployed on Aegis ships.



Atago-class destroyer "Ashigara"



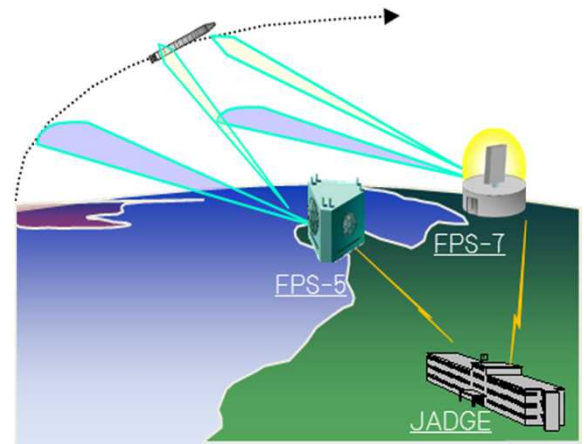
Advanced BMD Interceptor Missile (SM-3 Block IIA)

- Development of infrastructure for PAC-3 units deployment to Ichigaya Base (¥1.7 billion)
 - Based on the past examples of PAC-3 units deployment at the launch of missile purported to be satellite by North Korea last year, etc. develop infrastructure for their deployment at Ichigaya Base.



*PAC-3 deployed at MOD
(Ichigaya Base)*

- Conversion of Fixed Air Defense Radar (FPS-7) and addition of BMD function (1 unit: ¥4.8 billion)
- Replace the current FPS-2 radar at Mishima sub-base(Yamaguchi Prefecture) with FPS-7 while also adding BMD response function.



Fixed Air Defense Radar (FPS-7) (Graphic Image)

- Research study concerning future ballistic missile interception systems structure (¥40 million)
- Use simulations, etc. to explore the most effective and efficient future BMD systems against ballistic missile threats to Japan, including new equipment.

② Respond to guerilla/special force attacks

- Acquisition of 84mm recoilless rifles (B) (51 units: ¥ 0.4 billion)
 - Equip infantry, etc. with the rifles to defend important facilities while flexibly responding to a variety of contingencies, including special forces attacks.
- Acquisition of combat clothing and equipment (12,493 sets: ¥5.7 billion)
 - Use them in field and urban environments for secretive, nimble and agile actions while ensuring the safety of the personnel.
- Acquisition of nuclear/biological/chemical (NBC) Reconnaissance vehicle(1 unit: ¥0.7 billion)
 - Acquire NBC reconnaissance vehicle to improve wide-area reconnaissance capability in response to (NBC) attacks, special disasters, etc.
- Acquisition of personnel protection equipment (10,043 sets: ¥1.9 billion)
 - Acquire personnel protection equipment to enhance protection and quick reaction capabilities of personnel in an environment contaminated by an attack with special weapons or certain natural disasters.
- Exercises related to Civil Protection
- Cooperative exercises with the police



84mm recoilless rifles (B)



Combat clothing and equipment



Personnel protection equipment



NBC reconnaissance vehicle



Exercise related to Civil Protection



Cooperative exercises with the police

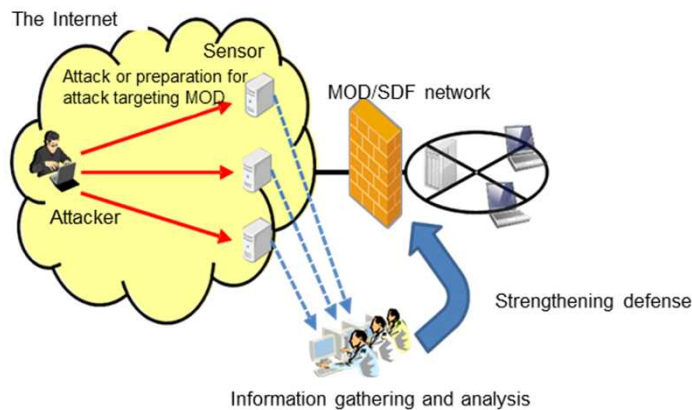
(4) Respond to cyber attacks

As no organization can single-handedly defend itself from cyber attacks, consider appropriate **division of responsibilities among government ministries** as well as **strengthening coordination and cooperation with countries such as the U.S. and with the private sector**. Additionally, consider policies to steadily introduce necessary equipment and **train specialists**.

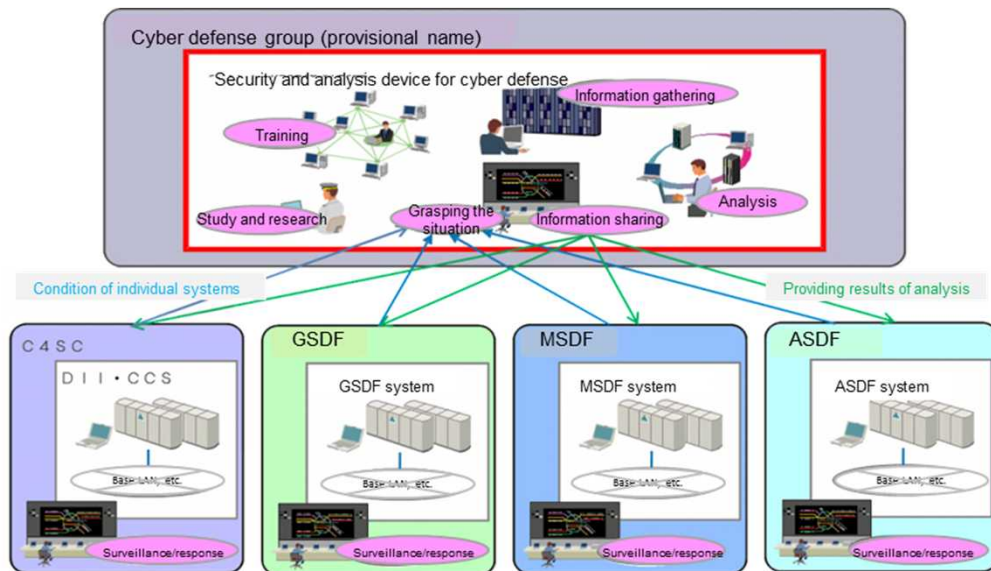
① Improvement/enhancement of operational infrastructure

Cyber-related budget:
¥24.0 billion

- Development of cyber information gathering devices (¥2.7 billion)
 - Develop information gathering devices that will help early detection and prevention of cyber attacks as threats in the cyberspace become increasingly complex and sophisticated.

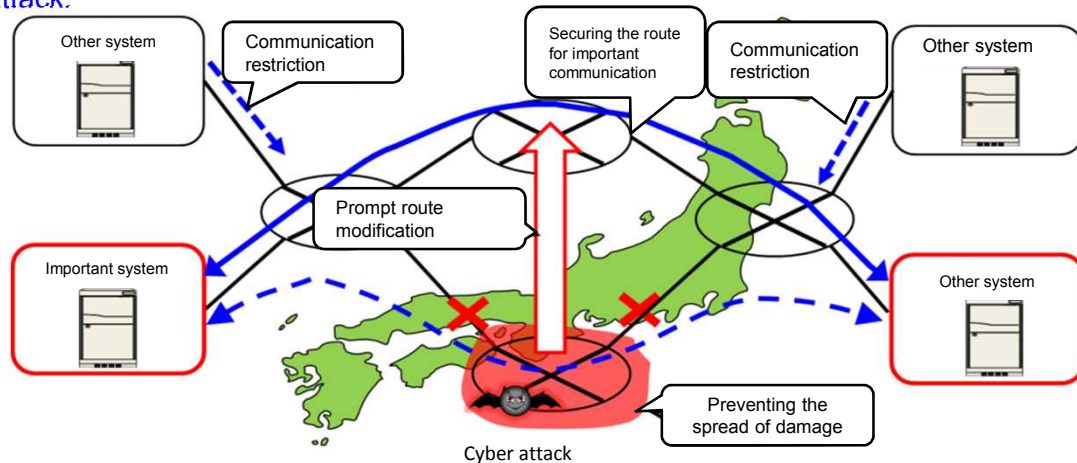


- System design of security and analysis devices for cyber defense,* etc. (¥1.9 billion)
 - Design a system for integrated response to cyber attacks targeted at the MOD toward the conversion of security and analysis devices for cyber defense.



- Improve functions of the security and analysis devices for cyber defense (¥0.4 billion)
 - Devices equipped with information collection, analysis and response/exercise functions concerning cyber attacks
- Development of Defense Information Infrastructure (DII) (¥13.5 billion)
 - Strengthen information sharing functions while enhancing security by applying the latest technology to the closed system of DII that is essential for secure command communications and prompt information sharing among the MOD and respective SDF units, and improve system security.

- Research on technologies to respond to network-based cyber attacks (¥0.8 billion)
 - Implement a study to prevent the spread of damage by securing the route for important communication through appropriate route modification in the network at the time of a cyber attack.



② Development/enhancement of structure

- Enhancement of Japan-U.S. cooperation
 - Develop the capability to monitor the computer system shared by MOD and DoD.
(Increase the number of cyber defense unit SDF personnel (provisional name) by 8)

③ Human resource development

- Initiatives to develop human resources to address cyber attacks (¥70 million)
 - Send personnel to study at graduate schools in Japan and overseas
Direct personnel to be educated, at graduate schools in Japan and overseas, etc. to learn latest knowledge and skills
 - Train personnel at information security-related organizations related to information security, etc
In order to adequately address increasingly sophisticated and complex cyber attacks, direct personnel to attend workshops related to computer security and receive outsourced education to learn advanced practical and technical advanced skills based on the latest attack and defense techniques.

④ Enhancement of partnerships with other countries and private enterprises

- Enhancement of partnerships with various countries (¥10 million)
 - Working-level regular meetings on Japan-U.S. Information Assurance Working Group between Japan and the United States
 - Interoperability Management Board
 - Liaison conference of Pacific communication managers
 - International conference on cyber conflicts
 - Japan U.S. IT forum
- Enhance partnerships with private enterprises (¥0.2 billion)
 - Establish specific and effective guidelines for a partnership between MOD and the defense industry to respond to cyber attacks
 - Introduce a new public-private information sharing system for MOD and the defense industry to promptly, efficiently and effectively share information concerning response to cyber attacks and to ensure information security

(5) Respond to large-scale natural disasters

Secure necessary transport capacity to enable **large-scale, rapid deployment** of troops, and **enhance training and exercises**, in order to be fully prepared for earthquakes such as the Nankai Trough Great Earthquake and Tokyo Inland Earthquake that are expected to occur in the future.

① Maintenance/enhancement of functions of military camps/bases to serve as hubs of disaster response

- Seismic retrofitting, etc. for maintaining and strengthening functionality during disaster periods (¥21.4 billion)

② Implementation of exercises, etc. to respond to large-scale and unconventional disasters

- Implementation of various disaster response drills.
- SDF Joint Disaster Response Exercise
 - Implement SDF Joint Exercise for Rescue to maintain/improve SDF's joint operation capabilities to respond to large-scale disasters at home in order to minimize damage.
- Promotion of measures enhancing civilian transport capacity (repost).

③ Acquisition, etc. of equipment contributing to disaster response

Improvement of disaster response capability

- Research study for the introduction of tilt-rotor aircraft (repost)
- Purchase of samples of amphibious vehicle (repost)
- Construction of a rescue ship for multiple purposes, including disaster relief activities (repost)
- Acquisition of transport helicopters (CH-47JA) (repost)
- Restoration of transport helicopters (CH-47J) to maintain posture (repost)
- Acquisition of multipurpose helicopter (UH-60JA) (repost)
- Acquisition of transport aircraft (C-2) (repost)
- Acquisition of rescue helicopter (UH—60J)(3 units: ¥11.4 billion)
- Acquisition of mobility supporting bridge, 07MSB (2 sets: ¥2.3 billion)



Rescue helicopter (UH—60J)



Mobility support bridge, 07MSB

Enhancement of capabilities to respond to

Nuclear, Biological, and Chemical (NBC) weapons

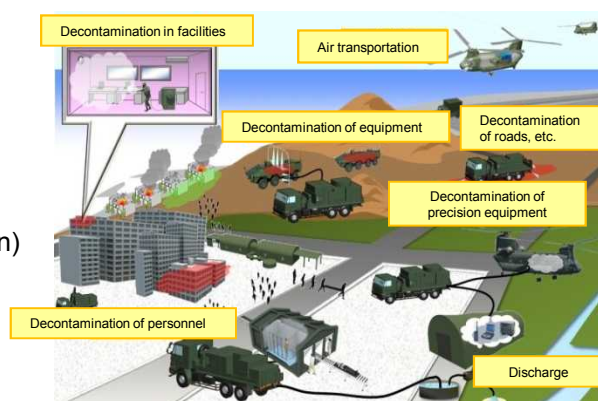
- Prevention of epidemics to perform operations in contaminated areas
 - Acquire smallpox vaccines (200 boxes: ¥4 million)
- Detection/identification of contaminated substances
 - Acquire NBC reconnaissance vehicles (repost)
 - Acquire various types of dose-rate meters (154 sets: ¥0.4 billion)
 - Acquire NBC Alarms (2 sets: ¥0.4 billion)
- Protection from contaminated substances
 - Acquire personnel protection equipment (repost)
 - Acquire chemical protective apparel (699 sets: ¥ 0.1 billion)
- Decontamination of contaminated substances
 - Develop new decontamination equipment (¥0.2 billion)



γ -ray counter Neutron counter

α/β -ray counter

Dose-rate meters



An example of the use of new decontamination equipment (Graphic Image)

(6) Strengthen joint operations

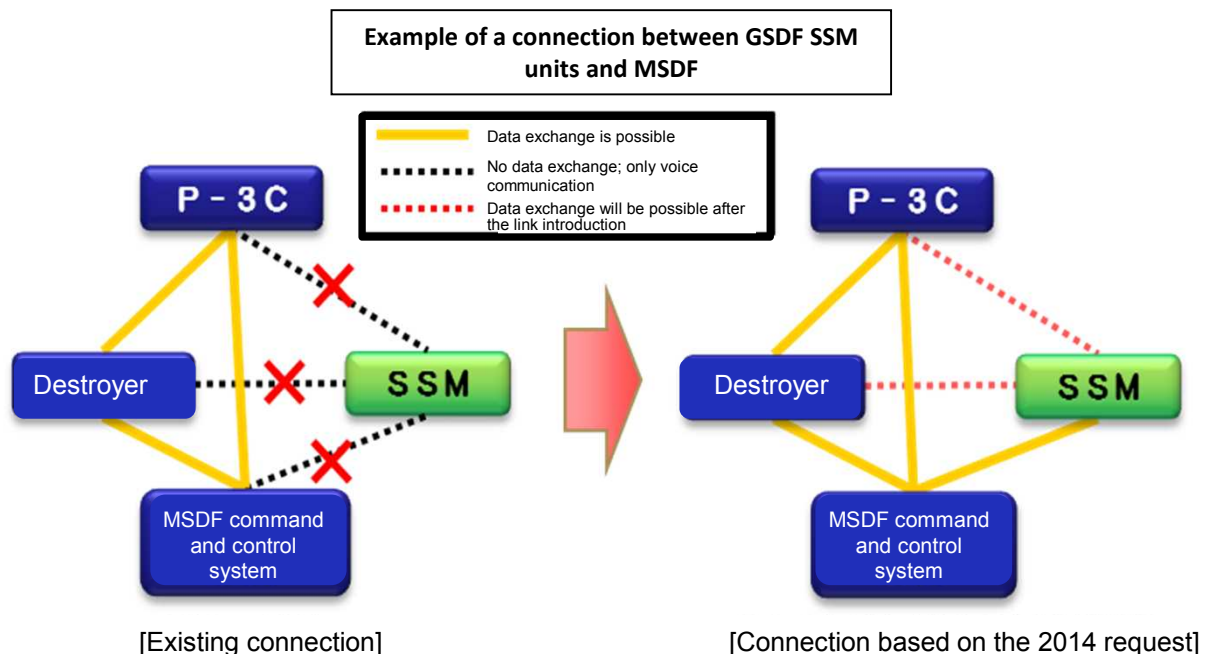
In order to **strengthen the infrastructure for command control and communication** that is a precondition of effective joint operations, Japan will consider measures to ensure **communication functions in remote islets and abroad where equipment and communication infrastructure is weak.**

① Strengthening of command, control and communication functions

○ Improvement of command, control and communication functions

Because our command and control system is still in the process of development and GSDF warfare has been greatly dependent on voice-based information sharing, GSDF has a challenge in effective operation in coordination with the MSDF and ASDF.

- Improve air defense and the firing command and control system to enable cooperation with the MSDF and ASDF for effective air defense and anti-ship warfare by GSDF in the southwest region.
 - ▽ Acquire an air defense command and control system ^{*1} (2 sets: ¥6.3 billion)
 - ▽ Acquire a firing command and control system ^{*2} (3 sets: ¥3.7 billion)
 - ▽ Connect the firing command and control systems to MSDF's command and control system (¥90 million)
- In addition, conduct studies and research on the introduction of a data link function with GSDF SSM (surface-to-ship missile) units in order to share target information, etc. with MSDF and ASDF units in real time.
 - ▽ Study and research on the introduction of a data link function (¥30 million)



^{*1} Air defense command and control system

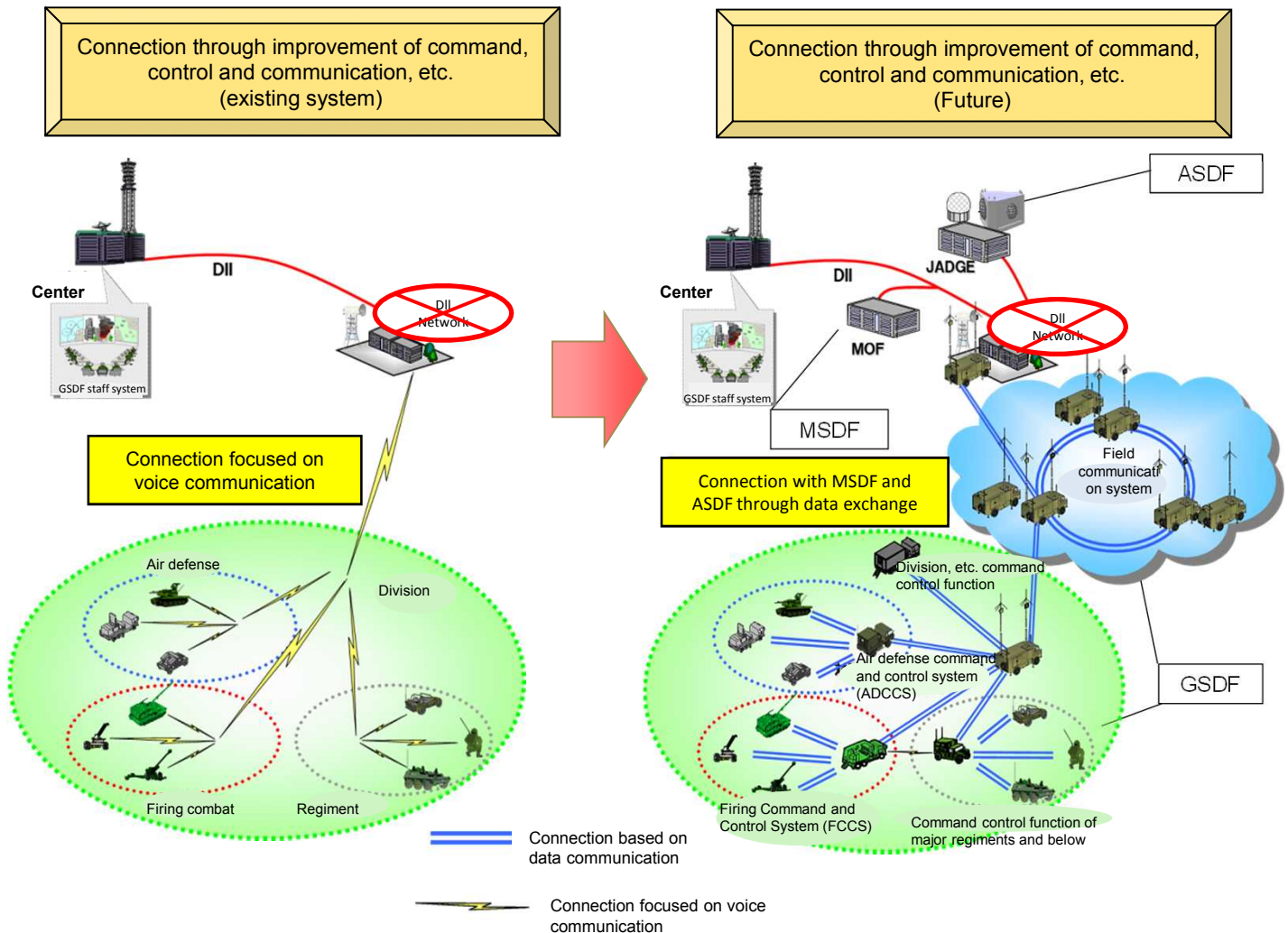
System installed in anti-aircraft artillery units of GSDF Army, divisions and brigades for speedy and accurate collection, processing and communication of target information and air defense command and control

^{*2} Firing command and control system

System installed in field artillery units of GSDF Army, divisions and brigades for speedy and accurate collection, processing and communication of target information and firing command and control

- Convert the GSDF command and control system into software and install it on field communication systems to enable sharing of data necessary for combat down to front-line forces, developing infrastructure for the strengthening of joint operation while enabling the exchange of secret data between Japan and the United States

▽ Integrate field command communication systems (¥8.0 billion)



② Enhancement of education and training

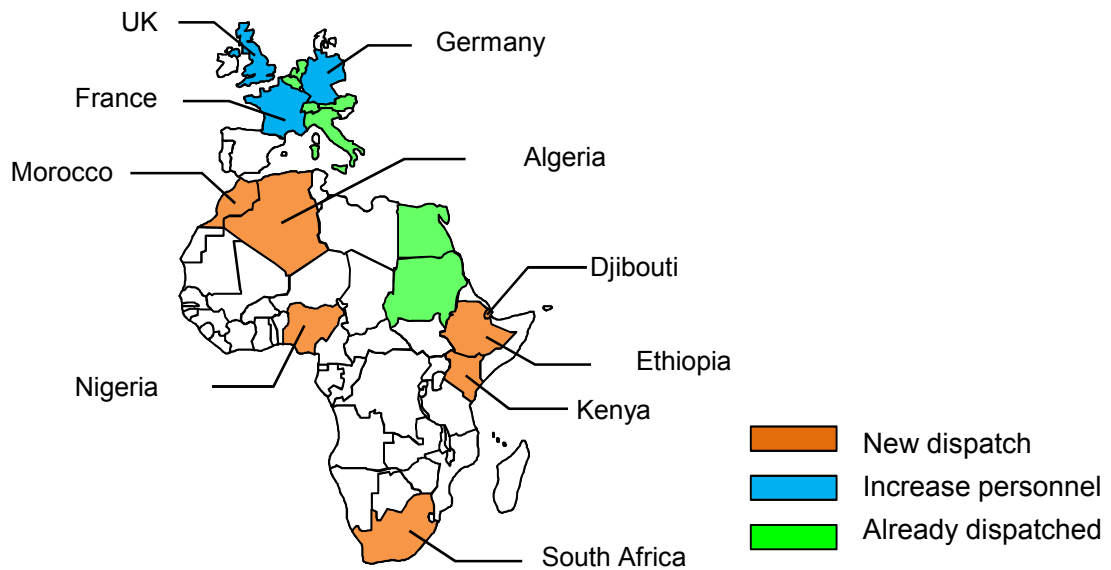
- Implementation of Japan-U.S. bilateral joint exercise (Keen Sword)
 - In order to ensure a smooth Japan-U.S. bilateral response for the defense of Japan, implement field training exercises that include maritime and air operations, base defense and mobile deployment of units at sea, airspace surrounding Japan, and bases in order to maintain and enhance coordination procedures at the unit-level between the two forces.
- Implementation of joint logistics exercise
 - In order to improve logistics capability in joint operation posture, implement field training exercises, etc. of logistical units for various contingencies with a focus on the coordination procedures of the SDF logistics, supply and patient transport.
- SDF Joint Disaster Response Exercise (repost)

(7) Strengthen intelligence capabilities

Consider **strengthening human intelligence collection functions** including defense attachés, **expanding collection functions** including geospatial intelligence, and **fundamentally strengthening the programs which secure and develop information analysts.**

In light of the terrorist attack on Japanese nationals in Algeria this January, Japan will strengthen its intelligence structure.

- Strengthening of the Defense Attaché system in Africa, etc.
 - Strengthen the system by sending a Defense Attaché to African regions where useful information for Japan is available and to countries that have a close relationship with the region.



Dispatch of Defense Attaché to Africa, etc. (plan)

*In addition, it is planned to send a Defense Attaché to Brazil for the first time, in Latin America, where currently no Defense Attaché is assigned.

- Establishment of the “Intelligence Research Office (provisional name)” at the Defense Intelligence Division, Bureau of Defense Policy
 - Enhance the system for planning basic policies concerning human intelligence functions, including the Defense Attaché, and supporting their activities.
- Enhancement of training of Defense Attaché candidates
 - Enhance training of Defense Attaché candidates to improve their information gathering/analysis and negotiation capabilities.
- Expansion of fundamental data development for geospatial intelligence
 - Expand the current fundamental data development work for geospatial intelligence with an emphasis on regions where there is increased probability of terrorist attacks, especially in North Africa.
- Enhancement of research on geospatial intelligence
 - Enhance the research posture, etc. for enabling sophisticated and efficient development and utilization of geospatial intelligence at the Defense Intelligence Headquarters.

(8) Promote use of outer space

Deepen consideration toward **use of outer space to strengthen C4ISR* capabilities**, through such means as coordination with countries such as the U.S. on **space situational awareness** and effective use of various satellites

*C4ISR: Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance

Space Programs

Space-related budget: ¥54.4 billion

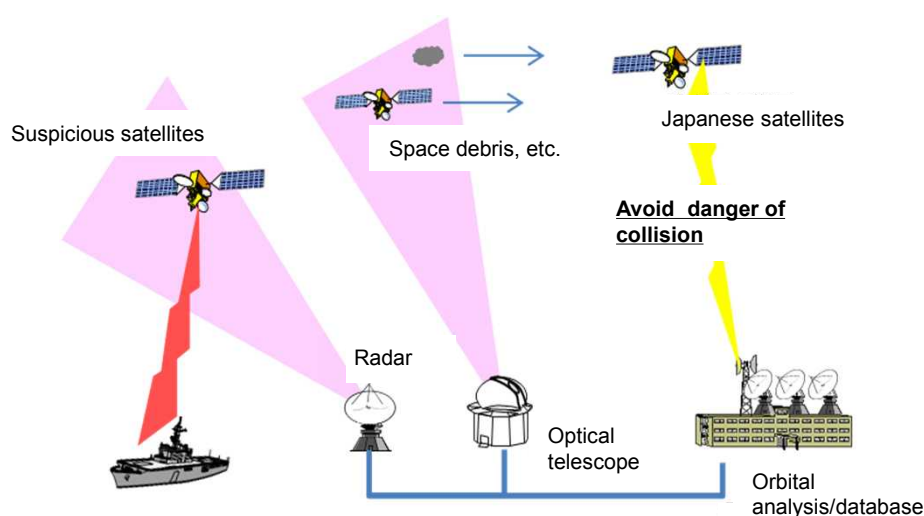
- Research for enhancement of C4ISR* capabilities using outer space (¥0.4 billion)
 - Technical study and PFI feasibility study on successor to the current X-Band communications satellite (Superbird C2) (¥ 60 million)
 - Study on protection of satellite communication system from jamming (¥10 million)
 - Research on analysis methods of interfering signals that affect satellite communications systems
- Use of satellite communication (¥20.0 billion)
 - Improvement of X-Band satellite communications, lease of transponders for communications satellites, etc
- Use of commercial imagery satellites (¥8.4 billion)
 - Receive commercial satellite imagery, etc
- Use of meteorological satellite information (¥6 million)
- Send personnel to the U.S. Air Force Space Fundamentals Course (¥9 million)
- Response to ballistic missile attacks* (¥25.6 billion)
 - *Space-related programs



Commercial communications
satellite Superbird C2

Initiatives for outer space monitoring

- Feasibility study for developing and maintaining Space Situational Awareness* system (¥10 million)
 - * Space Situational Awareness: Monitoring space objects based on the orbit information registered in the database by detecting and identifying satellites and space debris
- Research on FPS-5's capabilities for detecting and tracking satellites (¥50 million)



Space Situational Awareness System (Concept Image)

- Research on satellite protection of MOD/SDF (¥20 million)
 - Research on future satellite protection to ensure stable use of outer space by MOD/SDF.

II Strengthen Japan-U.S. alliance

In order to reduce the burden on Okinawa and other local communities while maintaining the appropriate deterrent force of the US military, Japan will steadily implement concrete measures concerning realignment of the USFJ , etc.

(1) Measures for reducing the burden on local communities

Temporarily set the same amount as the previous fiscal year: ¥ 88.9 billion

- Relocation of U.S. Marine Corps from Okinawa to Guam
Funding for projects necessary for the relocation of U.S. Marine Corps from Okinawa to Guam, etc.
- Realignment-related measures in Japan
 - Relocation of MCAS Futenma
 - Return of land south of Kadena Air Base
 - Return of a portion of the land, etc. at Sagami General Depot
 - Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni, etc.
 - Relocation of training for U.S. aircraft to mainland Japan and Guam from Kadena Air Base and other airfields
 - Community development measures (realignment grants, etc.)



Guam Island



MCAS Futenma

Regarding measures for reducing the burden on local communities, with the view that it is important to implement the projects as soon as possible, it is necessary to reflect the results of coordination with the local communities, the U.S. Forces and others into the process of budget compilation. They will be considered through the process and necessary measures will be taken.

(2) SACO-related cost

Temporarily set for the same amount as the previous fiscal year: ¥ 9.1 billion

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

III Promote cooperation in Asia-Pacific region and stabilize the global security environment

In order to promote cooperation in the Asia Pacific and stabilize the global security environment, Japan will further promote various cooperation initiatives in humanitarian assistance, disaster relief and other fields, as well as bilateral and multilateral dialogues. Japan will also work on enhancing SDF capabilities for its overseas activities so that it can proactively engage in activities such as non-proliferation of weapons of mass destruction and ballistic missiles, anti-terrorism/piracy operations, and UN peace-keeping operations.

(1) Promotion of cooperation in the Asia Pacific

- Capacity building for militaries or related organizations in South-East Asian countries
 - Take initiatives in the promotion of human resources development and capacity enhancement in the field of non-traditional security, such as humanitarian assistance and disaster relief for militaries or related organizations in relevant countries.
- Promoting bilateral, trilateral and multilateral defense cooperation and exchanges, including those with Australia, ROK and India, as well as Japan-U.S.-ROK and Japan-U.S.-Australia defense cooperation.
- Promotion of defense exchange and cooperation with China, including beginning the operation of the Maritime communication mechanism.
- Promotion of defense exchange/cooperation with Russia by holding a Foreign and Defense Ministers'(2+2) talk, etc.
- Initiatives under the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus)
 - Actively enhance regional defense and security cooperation through the defense ministers' Meeting, which is the only official meeting of its kind in the Asia-Pacific.
- Participating in Pacific Partnership (PP) 2014
 - Visit countries in the Asia-Pacific region to provide medical services, hold intercultural events, etc. Through cooperation with governments, militaries, international organizations, and NGOs, the PP strengthens partnerships among participating countries and facilitates international disaster relief operations.



*Capacity building project
in Timor Leste*



*1st ADMM-Plus Humanitarian
Assistance/Disaster Relief (HADR) and
Military Medicine (MM) field training
exercise*



Pacific Partnership

(2) Initiatives for stabilization of the global security environment

Enhancement of capability to conduct overseas activities

- Armored personnel carrier development (improved) (4.7 billion)
 - In order to respond to a variety of threats accompanying international peace cooperation activities, attacks on remote islets, etc. develop transportable and maneuverable armored personnel carrier (improved) with improved mobility (including traveling on rough roads) and enhanced defense power as a successor to Type-96 armored personnel carrier
- Participation in multilateral exercises
 - Multilateral exercises, such as Cobra Gold, related to UN peacekeeping activities
- Participation in an international mine-countermeasures exercise hosted by the U.S. Navy
 - Implement a multilateral mine-countermeasures exercise in the Persian Gulf in order to improve skills in minesweeping and diving while simultaneously promoting mutual understanding with participating navies
- Acquisition of water purification systems that can turn seawater into potable water (GSDF) (3 sets: ¥0.3 billion)
- Acquisition of 10t truck (with PLS*) to ensure smooth transportation of goods during international peace cooperation activities (GSDF) (1 unit: 0.1billion)
 - *PLS (Palletized Load System): Arm-shaped equipment used to load containers
- Installation of Traffic alert and Collision Avoidance System (TCAS) on transport aircraft (C-130H) (ASDF) (2 sets: ¥0.1 billion)



Armored personnel carrier (improved)
(Graphic Image)



Water purification system that can turn seawater into potable water

Proactive initiatives for ocean security

- Anti-piracy operations off the coast of Somalia and in the Gulf of Aden
 - Continuation of anti-piracy operations by destroyers and P-3C off the coast of Somalia and in the Gulf of Aden.

Initiatives for international community efforts

- Dispatch of instructors to the PKO Centers in Africa
 - Dispatch SDF personnel as instructors from the SDF to educate PKO personnel of African countries to improve their peacekeeping capabilities and maintain the stability of the region.
- Participation in PSI* interdiction exercises
 - Maintain and increase the capability to provide a coordinated response among the MOD/SDF, relevant organizations, and concerned countries against the proliferation of weapons of mass destruction, etc.
 - * PSI (Proliferation Security Initiative): Security concept against proliferation
- Implementation of international peace cooperation activities
 - Actively participate in activities in which the international community cooperates to improve the international security environment, including UNPKO.

IV Other

(1) Restructuring and Organizational Quota Changes

Implementation of unit reorganization programs in order to strengthen the defense posture in the southwest and other regions

① Major unit reorganization programs

- Establishment of the Amphibious Preparatory Unit (provisional name) (repost) (GSDF)
- Reorganization of the 1st Airborne Brigade (GSDF)
In order to build and strengthen an effective deterrent and response posture concerning the defense of the Southwestern islands, adopt the 1st Airborne Brigade into a structure enabling a simultaneous, flexible response on multiple fronts.
- Reorganization of the Central Transportation Management Command (GSDF)
- Reorganization of the AEW group (repost) (ASDF)
- Establishment of Staff College Air Research Center (provisional name) (ASDF)
- Relocation of the headquarters of Air Development and Test Command to Fuchu Air Base (ASDF)
- Request to increase the number of SDF personnel
 - Improve our contingency readiness by increasing the number of SDF personnel in order to enhance the warning and surveillance posture and ensure effective response capability.

	GSDF	MSDF	ASDF	Total	Note
Requested increase	+101	+212	+206	+519	△70 of GSDF is a result of status adjustment of student nurses
(△Decrease)	△70	—	—	△70	

*Not including changes in the number due to personnel quota transfer

② Programs related to organizational quota

- Organization building towards the enhancement of defense policy planning functions
 - Establish “Japan-Australia Defense Cooperation Office (provisional name)” at the International Policy Division, Bureau of Defense Policy, in order to enhance the system for defense cooperation/exchange with Australia
 - Establish the “Intelligence Research Office (provisional name)” at the Defense Intelligence Division, Bureau of Defense Policy in order to improve human intelligence collection functions (repost)
 - Strengthen the Defense Operations Division, Bureau of Operational Policy, to ensure effective operational policy to cope with various contingencies including those at sea (personnel increase)

(2) Promotion of Base Measures

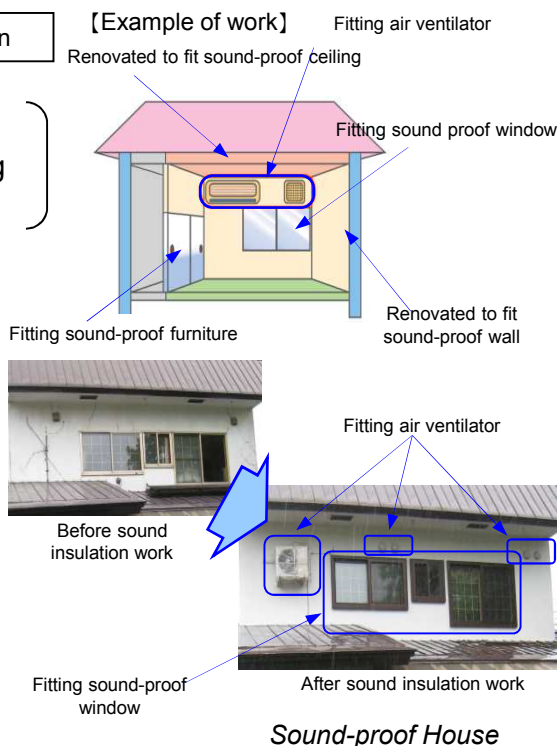
Japan will steadily implement measures to achieve harmony between defense facilities and the neighboring communities, as well as measures to facilitate the smooth and effective stationing of U.S. forces in Japan

① Expenses related to programs for communities near bases

¥123.8 billion

Including: Residential sound insulation: ¥44.1 billion
Improvement of living environment of neighboring communities: ¥79.6 billion

- Expenses for the 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, etc.
 - Implementation of projects to improve the living environment of neighboring communities (river and road restoration, sound-proofing systems in schools, etc.)
 - **Implementation of sound insulation projects for non-registered childcare facilities**
 - Implementation of projects covered by specified defense facilities environment improvement adjustment grants, with strong requests from municipalities around bases (development of public facilities and software projects, such as medical cost subsidies, etc.)



② Cost-sharing for the stationing of U.S. forces in Japan

¥190.7 billion

Including: Special Measures Agreement: ¥140.7 billion
Facilities improvement: ¥24.7 billion
USFJ employees measures, etc.: ¥25.3 billion

- Expenses of the Special Measures Agreement to ensure the smooth and effective stationing of U.S. forces in Japan
 - Share the cost of wages and utilities, etc. of USFJ employees
 - Improve facilities (Barracks, family housing, etc.)
 - Share the cost of social insurance premiums by the employer (healthcare insurance, welfare annuity insurance, etc.) for USFJ employees



Barracks

③ Rental cost of facilities, compensation expenses, etc.

¥134.9 billion

- Rental cost of defense facility land, etc., compensation to fisherman for lost income due to training exercises on water areas, etc.

(3) Strengthen Education and Research System

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 in addition to develop an environment enabling personnel to be devoted to their duties.

① The National Institute for Defense Studies

- Development/enhancement of research exchange
 - Enhance research exchange with National Defence College of Myanmar
 - Enhance research exchange with Institute for Strategic Studies of Mongolia
 - Enhance research exchange with Military Academy of Saudi Arabia
 - Enhance research exchange with Australian Strategic Policy Institute
 - Enhance the framework for proactive international exchange and public relations
 - Promote exchanges of opinions with government officials and the major research institutions of other countries with respect to “East Asian Strategic Review” and “NIDS China Security Report,” etc
- Research and compilation work concerning war history
 - Publish “The Pacific War” series (provisional name), First Volume

② National Defense Academy

- Enhancement of study abroad programs
 - Promote exchange in defense and security through improvement of NDA students’ language skills, development of their international awareness, and fostering inter-students trust.
 - Send students to Brazilian Naval School
- Enhancement of education and research
 - In order to implement education for new duties and roles of the SDF, improve the contents of education programs (crisis management and safety science) with a solid foundation on both academic and practical education.
 - Improve the education system relating to cyber attack response by MOD/SDF

③ National Defense Medical College, etc.

- Establishment of 4-year nursing program
 - Open the Faculty of Nursing (provisional name) at the Division of Medical Education, National Defense Medical College, in April 2014.
- Improvement/enhancement of clinical systems
 - Improve and enhance clinical systems by increasing the number of nurses in order to improve utilization of the college hospital’s ICU

(4) Measures concerning personnel education

In order to secure excellent human resources (ex. SDF personnel, SDF reserve personnel) who bear the burden of national defense while enhancing their strength, Japan will execute a comprehensive plan for recruitment, reemployment of SDF personnel, securing of SDF reserve personnel and other necessary measures.

① Promotion of measures to secure excellent human resources who bear the burden of national defense

Enhancement of recruitment program

- Improvement and enhancement of recruitment functions (¥0.1 billion)
 - Communicate information properly and conduct public relations for recruitment in response to the changing times

Improve and enhance recruitment functions including effective communication of information to prospective candidates through Smartphones

Enhancement of reemployment support programs

- Improvement/enhancement of job training and public relations for support (¥0.1 billion)
 - Allow personnel to take multiple training courses, etc.

In order to improve benefits for SDF personnel planning to retire, increase the number of distance-learning courses that they can take, add courses for female personnel, for example.

Securing SDF reserve personnel

- Improvement/enhancement of publication of SDF reserve personnel system and improvement of their training infrastructure (¥80 million)
 - Improve public relations targeted at companies employing SDF reserve personnel, etc.

Expand the program for employers to observe SDF reserve personnel training to middle management.

Develop public relations leaflets for use by SDF reserve personnel in their workplaces

 - Improve clothing, accouterments, etc.
- Promote improvement of clothing, accouterments, etc. to ensure more effective operation of SDF reserve personnel.

② Other measures

Honorable treatment to nurture a sense of mission

- Expansion of the Defense Meritorious Badge program (¥70 million)
 - Establish Defense Meritorious Badges for meritorious deeds of units
 - Change the shape of Defense Meritorious Badges for ceremonial use

Personnel measures

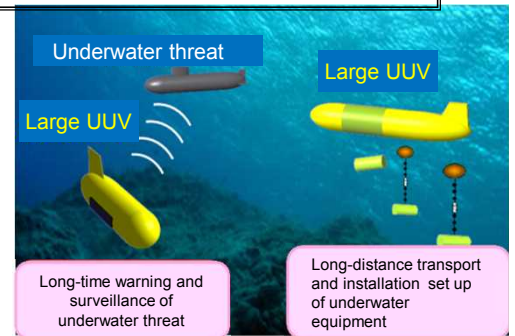
Consider personnel policy changes to encourage individual strengths, including handling and honorable treatment in accordance with the characteristics of each specific SDF, unit, and type of duty.

(5) Promotion of technological research and development

Implement far-sighted research and development including unmanned equipment such as robot, cyber and outer space technologies.

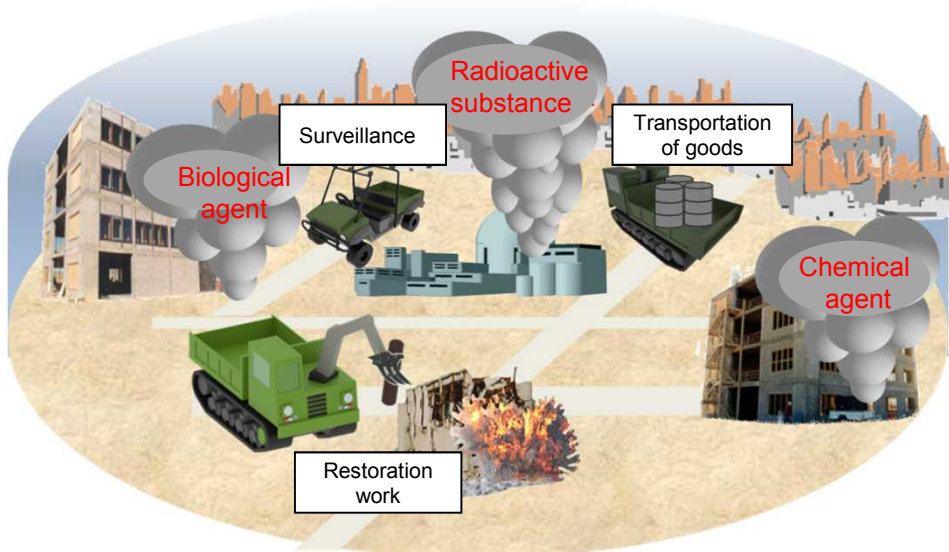
- Research of fuel cells, etc. that enable long-term operation of UUV* (¥1.2 billion)
 - Conduct research on fuel cells, etc. to enable UUV that can complement submarines with long time and wide-area underwater warning, surveillance and intelligence functions, as well as functions to transport and set up underwater equipment.

*UUV (Unmanned Underwater Vehicle)



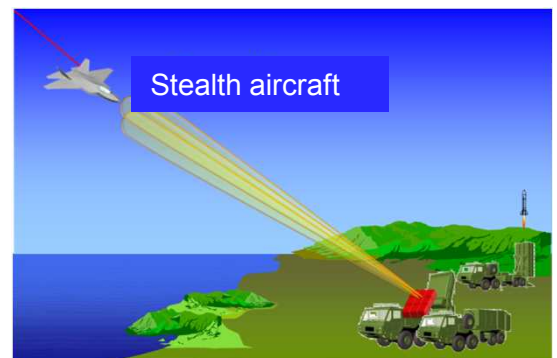
Research of fuel cell, etc. that enable long-time operation of UUV (Graphic Image)

- Research on robots that can be used under the threat of nuclear disaster (¥0.9 billion)
 - Conduct research to realize robots that autonomously carry out surveillance, transportation of goods, restoration work, etc. even under bad weather and the threat of radiation caused by a nuclear disaster and biological/chemical agents.



Research on robots that can be used under the threat of nuclear disaster (Graphic Image)

- Research on radar and fire control system to detect stealth aircraft (¥3.7 billion)
 - Conduct research on radar and fire control system to detect, track and respond to stealth aircraft, etc. which pose difficulties to standard radars.



Research on radar and fire control system to detect stealth aircraft (Graphic Image)

- Research on technologies to respond to network-based cyber attacks (repost)

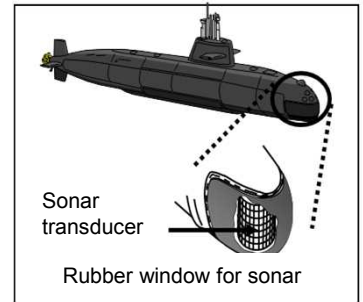
V Streamlining Initiatives

Various initiatives will be promoted to further rationalize and streamline equipment acquisition and ensure greater fairness of procurement and save approx. ¥64.0 billion in FY2014 and after.

(1) Review of maintenance methods (cost saving of approx. ¥9.0 billion in five years to 2018)

Streamline maintenance costs by extending periodic maintenance intervals

- Conversion interval extension of Sonar Dome rubber windows for submarine
Reduce the number of units to be procured by extending the replacement interval from 9 to 12 years.
(Expected saving by FY2018: ¥0.4 billion)
(Expected saving in FY2014: ¥0.15 billion)
- Maintenance interval extension of gas turbine engine for vessels
Extend the interval of periodic maintenance for main engines, etc. of destroyers.
(Expected saving by FY2018: ¥1.6 billion)
(Saving is not expected in FY2014 because the extension starts in FY2016 after a trial)
- Extension of overhaul interval of minesweeping/transport helicopter (MCH-101) engines
Extend engine overhaul interval by extending the useful life of parts.
(Expected saving by FY2018: ¥0.4 billion)
(Saving is not expected in FY2014 because no project is planned in the year)
- Extension of periodic maintenance interval of transport aircraft (C-130H)
Extend the interval of periodic maintenance from the current 36 months to 45 months.
(Expected saving by FY2018: ¥5.2 billion)
(Expected saving in FY2014: ¥1.9 billion)



Sonar Dome rubber windows for submarine



Destroyer (Akizuki)



Minesweeping/transport helicopter (MCH-101)



Transport aircraft (C-130H)

(2) Bulk purchase of equipment (Saving approx. ¥44.0 billion on contract basis)

Streamline budget costs reviewing equipment with high prices due to small-amount purchase and long-period maintenance and concentrate budget requests for them in a single year if a cost saving is expected by doing so.

- Bulk purchase of Type-12 surface-to-ship guided missile
16 units: ¥38.0 billion → ¥30.2 billion
(Expected saving: ¥7.8 billion)



Type-12 surface-to-ship guided missile

- Bulk purchase of battle training apparatus
22 sets: ¥13.8 billion → ¥12.7 billion
(Expected saving: ¥1.1 billion)
- Bulk purchase of equipment for function improvement of short-range SAM system on Takanami-class destroyer
Equipment to upgrade the vertical launch systems (VLS) for five destroyers
5 sets: ¥6.5 billion → ¥3.8 billion
(Expected saving: ¥2.6 billion)
- Bulk purchase of radars with improved capability for fighters (F-2)
30 sets: ¥10.5 billion → ¥9.4 billion
(Expected saving: ¥1.1 billion)

Note: In addition, efforts will be made to reduce cost through centralized procurement of equipment, such as UH/SH-60 helicopters and type-89 rifles, which are common equipment of GSDF, MSDF and ASDF.



Battle training apparatus



Short-range SAM system on Takanami-class destroyer

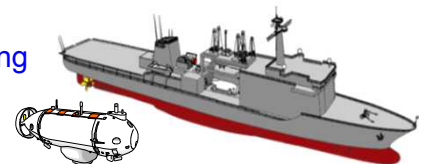


F-2 fighter aircraft

(3) Use of civilian goods and review of specifications (Saving approx. ¥11.0 billion on contract base)

Pursue cost reduction by using civilian goods and reviewing specifications of equipment with regard to cost effectiveness

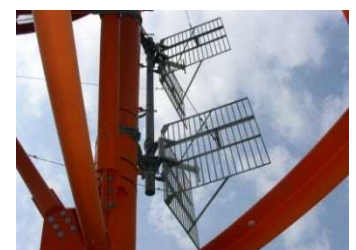
- Use commercial ship specifications and civilian goods when building a rescue ship for multiple purposes, including disaster relief activities
(Expected saving: ¥4.8 billion)
- Use cost effective devices for upgrading of radar on P-3C
(Expected saving: ¥1.4 billion for 4 sets)
- Substitute by civilian harbor radio telephone
(Expected saving: ¥0.6 billion)



FY2014 submarine rescue ship (5,600t class) (Graphic Image)



Upgrading of fixed-wing patrol aircraft P-3C (Graphic Image)

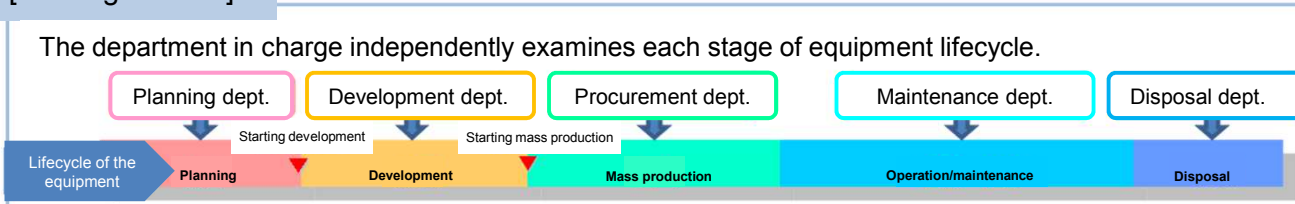


Antenna for harbor radio telephone

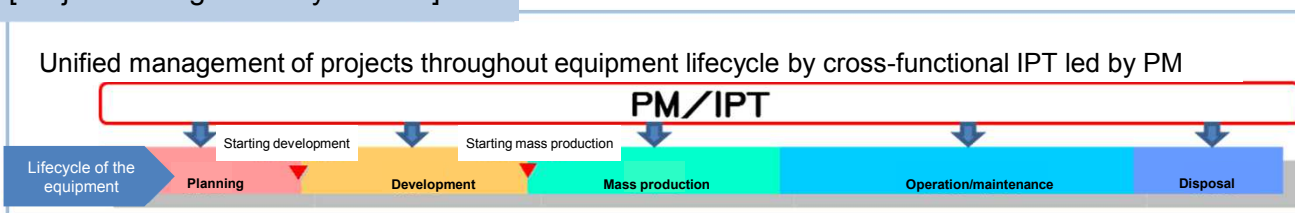
(4) Medium- to long-term measures for streamlining the procurement of equipment, etc.

- Enhancement of project management throughout the lifecycle of equipment
An initiative to set up a cross-functional Integrated Project Team (IPT) led by a project manager for unified management of cost, performance and schedule of major projects throughout the lifecycle of equipment.
 - In order to establish a permanent PM/IPT system, assign PM personnel who work full-time on project management (5 directors for project management)
 - Use private resources, including consultants, with know-how of project management to support PM/IPT in their project management activities (¥80 million)
 - Have personnel attend project management courses of Defense Acquisition University of the United States in order to develop human resources for PM/IPT (¥4 million)

[Existing method]



[Project management by PM/IPT]



- Improvement of cost estimation method for equipment procurement
 - Conduct study and research for effective utilization of cost data of equipment, etc. using new statistical procedures, etc. for calculation of the estimated price of equipment, etc. (¥8 million)
- Improvement of operational availability of equipment through effective utilization, etc. of private resources

Initiative to study measures to curb maintenance expense while maintaining and improving operational availability of equipment, etc.

- Study and research to maintain and improve operational availability of equipment, etc. (¥60million)
- Study and research for discussions on introduction of more sophisticated PBL* (¥20 million)

*PBL (Performance Based Logistics): A form of contract with corporations in which payment is made not for the quantity of maintenance work but for equipment performance such as operational availability, safety, shorter repair time, and securing of stable inventory.

Initiatives to curb maintenance cost of equipment, etc.

- Technical study and PFI feasibility study on successor to the current X-Band communications satellite (Superbird C2) (repost)
- Study on measures to utilize civilian transport capacity in mobile deployment (Joint Staff (JS)) (repost)

VI MOD reform

(1) Direction of the MOD reform

What is the MOD Reform?

The reform started in response to various cases of misconduct within the MOD/SDF. In the severe security environment, not only initiating measures for preventing the recurrence of misconduct, but also reform of the MOD in terms of its operation and organization has been implemented to ensure more proactive and efficient functioning of the SDF under full civilian control.

Upon instructions of the Minister of Defense in February 2013, the Committee for the Deliberations on the MOD Reform chaired by the Senior Vice-Minister of Defense accomplished thorough examinations.

Principles of the reform

- In addition to the **increasingly severe security environment** surrounding Japan and **lessons learned from the SDF operations** in response to the Great East Japan Earthquake, there are also **changes in the policy environment**, including the move towards the establishment of NSC.
- In light of the changing situations, the MOD implements drastic reform while fully considering items provided in the past deliberations.
- **Changing the mentality of both civil officials and SDF personnel is essential** to make the reform truly effective. It is also necessary to **advance the reform smoothly without delay or confusion in operations including contingency responses**. To this purpose, it is important to establish a series of reforms through steady and phased implementation while Internal Bureau and Staff Offices equally support the Minister of Defense.

*Procurement misconduct in recent years are subject to thorough examinations at committees concerned and measures to prevent recurrence are being strictly implemented.

Concrete initiatives (overview)

1. Cross-assignment of civilian officers and SDF personnel —remove barriers between them—

- Revise laws and **establish permanent posts within the internal bureaus for SDF personnel, mainly lieutenant colonels and majors, while establishing new permanent posts for civilian officers in the Joint Staff and major SDF commands** (FY2014)
- Later, expand cross-assignment to **higher-ranking staff** [medium to long-term]

2. Total optimization of defense capability buildup and strengthening of equipment acquisition functions – from partial optimization to total optimization -

- **Establish a new procedure of defense capability build up for total optimization** (Unify defense capability evaluation based on the anticipated contingencies from the viewpoint of joint operation rather than that of individual SDF to clarify priorities of defense capability buildup of the entire SDF) [FY2014]
- Increase cross-functional **Integrate Project Team (IPT)** led by a project manager (PM) to strengthen project management throughout the lifecycle of equipment, etc. [FY2014-]
- With the aim of ensuring adequate implementation of project management throughout the lifecycle described above across the organization and contributing to total optimization of defense capability buildup and maintenance/enhancement of defense production/technology bases, **integrate divisions concerning equipment acquisition of the Internal Bureau, Staff Offices, the Technical Research and Development Institute and the Equipment Procurement and Construction Office based on future deliberations** and implement organizational change with a view to setting up an external bureau. In this process, consider the **strengthening of audit functions** to further ensure the fairness of procurement [medium term]

3. Strengthen joint operation functions —Make accurate decisions more swiftly—

- **Cross-assignment of civilian officers and SDF personnel in Internal Bureau and Joint Staff in order to strengthen joint operation functions [FY2014]** (repost)
- **Affairs concerning actual operations** are **unified with the Joint Staff Office in principle** to achieve swift and efficient operations while **drafting of laws, etc. remain under the jurisdiction of Internal Bureau**. In light of the above, and with the aim of enhancing response to cyber attacks, review the organization of the Bureau of Operational Policy. [Medium term]
- Under the Defense Council, relevant senior officials **build** an efficient **coordinating organization to respond to contingencies**. [Medium term]
- In light of the lessons, etc. learned from the response to the Great East Japan Earthquake, examine the functions and roles of Joint Staff, etc. and consider securing effective command control at respective SDFs (including consideration to set up a central command organization of GSDF) (coordinate/cooperate with defense posture review) [Medium to long term]

4. Enhancement of policymaking/information provision functions —Toward further enhancement of policymaking/information provision functions—

- **Create the post of Defense Councilor** as general manager of external affairs in order to enhance consultations/dialogues with foreign countries. [FY2014]
- **Enhance the strategy planning function of the Bureau of Defense Policy** in accordance with the activities of NSC in order to ensure accurate coordination with the council. [FY2014-]
- Establish **a mechanism** (press center) **to aggregate and coordinate the provision of information which should be unified** at the time of crisis management [FY2014]
- **Review the press office organization** so that Press Secretaries of the Minister's Secretariat and Joint Staff can function as the core of strategic and effective public relations [Medium term]

5. Other initiatives

- Review regional organizations (Regional Defense Bureaus, Provincial Cooperation Offices, GSDF HQs, District HQs, etc.) in order to promote understanding of local communities and enhance coordination with local governments (coordinate/cooperate with defense posture review) [Medium to long term]
- Ensure **strict control of sensitive information** that should not be disclosed, including review of management guidelines, **while establishing a method and system to investigate** leaks [FY2014-]
- **Enhance Ministry's support office** in terms of timely and proper information flow up to Ministers [FY2014]

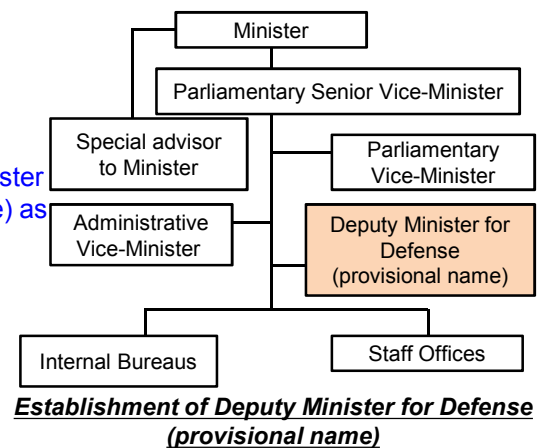
(2) FY2014 budget request programs related to the MOD reform

① Cross-assignment of civilian officers and SDF personnel

- Establishment of permanent posts of SDF personnel in Internal Bureau (56 posts in total)
 - Revise laws and establish permanent posts of SDF personnel in Internal Bureau
- Establishment of new permanent posts for civilian officers in the Joint Staff Office and major SDF commands (17 posts in total)
 - [Joint Staff] Establish posts of Legal Officer (provisional name) at Operations and C4I Systems Departments (4 posts in total)
 - [G S D F] Establish posts of Coordination Officer (provisional name) at GSDF HQs (5 posts in total)
 - [M S D F] Establish posts of Political Advisor (provisional name) and Coordination Officer (provisional name) at Yokosuka and Sasebo HQs (4 posts in total)
 - [A S D F] Establish posts of Political Advisor (provisional name) and Coordination Officer (provisional name) at Air Defense Command HQ and Air Support Command HQ (4 posts in total)

② Establishment of Deputy Minister for Defense (provisional name)

- In order to handle diversifying security issues and drastically increasing external affairs, to ensure reliable assistance to the Minister of Defense, establish Deputy Minister for Defense (provisional name) as the position that coordinates a portion of external affairs



③ Management throughout the lifecycle of equipment

- An initiative to set up a cross-functional Integrated Project Team (IPT) led by a project manager (PM) for unified management of cost, performance and schedule of major projects throughout the equipment lifecycle.
 - In order to establish a permanent PM/IPT system, assign PM personnel who specialize in project management (5 directors for project management) (repost)

④ Enhancement of strategy planning function of the Bureau of Defense Policy

- Coordination with National Security Council
 - Strengthen the system to ensure adequate coordination with the National Security Council that is to be established (personnel increase)
- Establishment of Japan-Australia Defense Cooperation Office
 - Establish Japan-Australia Defense Cooperation Office (provisional name) at the International Policy Division, Bureau of Defense Policy, so as to strengthen the system for defense cooperation/exchange with Australia (repost)

⑤ Initiative to enhance the public relations function

- Establishment of a press center (provisional name)
 - Procure equipment for the establishment of a mechanism (press center: provisional name) to aggregate and coordinate the provision of information which should be unified at the time of crisis management (¥1 million)

⑥ Enhancement of Minister's Secretariat

- Establishment of Planning and Coordination Office (provisional name)
 - Establish a new office at Minister's Secretariat to enhance its support for Ministers

Major equipment

1 Major Equipment

Procurement type			FY2013 Number procured	FY2014	
				Number Procured	Amount (¥100 million)
Aircraft	GSDF	Multi-purpose helicopter (UH-60JA)	1	1	38
		Transport helicopter (CH-47JA)	—	2	114
		Attack helicopter (AH-64D)	1	—	—
		Liaison and reconnaissance aircraft (LR-2)	—	1	18
		Restoration of transport helicopter (CH-47J)	(1)	(1)	35
	MSDF	Fixed-wing patrol aircraft (P-1)	2	4	773 (10)
		Patrol helicopter (SH-60K)	—	4	256 (9)
		Rescue amphibian (US-2)	1	—	—
		Primary trainer (T-5)	3	—	—
		Helicopter trainer (TH-135)	3	2	12
		Life extension of fixed-wing patrol aircraft (P-3C)	(2)	(3)	15 (0.7)
		Life extension of patrol helicopter (SH-60J)	(2)	(2)	11
		Capability improvement of radar mounted on fixed-wing patrol aircraft (P-3C)	—	4	8 (5)
		Capability improvement of infrared detection system on fixed-wing patrol aircraft (P-3C)	—	4	3
	ASDF	Next-generation fighter aircraft (F-35A)	2	4	693 (560)
		Modernization of fighter aircraft (F-15)	(6)	(12)	150
		Improvement of self-defense capability of fighter aircraft (F-15)	—	(1)	25
		Upgrading of on-board NVG of fighter aircraft (F-15)	—	(1)	0.8 (12)
		Improvement of air-to-air combat capability of fighter (F-2)	Upgrade (12) (—)	(12) (30)	132
		Addition of JDAM function to fighter (F-2)	(11)	(4)	11
		Trial upgrading of fighter aircraft (F-2) with on-board targeting pod	—	(1)	67
		Transport aircraft (C-2)	—	3	603 (3)
		Rescue helicopter (UH-60J)	—	3	114 (4)
		Improvement in capability of Airborne Warning And Control Systems (AWACS) (E-767)	Upgrade (—) (1)	(—) (1)	136
Vessel	MSDF	Destroyer (DD)	1	1	733 (18)
		Submarine (SS)	1	1	513 (6)
		Minesweeper ocean (MSO)	1	1	174 (11)
		Submarine rescue ship (ASR)	—	1	508 (25)
		Life extension of Hatsuyuki-class destroyer	Work (—) (3)	(1) (4)	6
		Life extension of Asagiri-class destroyer	Work (2) (4)	(2) (3)	41
		Life extension of Abukuma-class destroyer	Work (—) (4)	(2) (4)	27
		Life extension of Hatakaze-class destroyer	Work (—) (1)	(1) (—)	27
		Life extension of Oyashio-class submarine	Work (2) (1)	(1) (2)	6
		Life extension of Towada-class fast combat support ship	Work (—) (2)	(2) (2)	25
		Function improvement of short-range SAM system on Takanami-class destroyer	Work (—) (—)	(—) (5)	38
		Life extension of Landing Craft Air Cushion	Work (2) (—)	(—) (2)	3

Procurement type		FY2013 Number procured	FY2014	
			Number Procured	Amount (¥100 million)
Missile	GSDF	Type-03 middle-range surface-to-air missile (SAM)	—	1 company 171 (21)
		Type-11 short-range surface-to-air missile	—	2 sets 71 (18)
		Type-93 close-range surface-to-air missile	—	3 sets 25 (6)
		Middle-range multi-purpose missile	11 sets	18 sets 71
		Type-12 surface-to-ship missile	4 vehicles	16 vehicles 302
	ASDF	Surface-to-air missile for base air defense	—	— 7
Firearm, Vehicle, etc.	GSDF	9mm Pistol	90	— —
		Type-89 rifle	6,949	6,726 18
		Anti-personnel sniper rifle	75	50 0.4
		5.56mm machine gun MINIMI	188	170 4
		12.7mm heavy machine gun	114	122 7
		60mm motor (B)	—	12 0.2
		84mm recoilless rifle (B)	17	51 4
		81mm motor L16	5	1 0.1
		120mm motor RT	2	1 0.4
		Type-99 155mm self-propelled howitzer	6	6 58
		Type-10 tank	14	13 131
		Light armored vehicle	44	64 21
		Type-96 armored personnel carrier	11	21 26
		Type-87 reconnaissance combat vehicle	1	1 3
		NBC reconnaissance vehicle	2	1 7
		Vehicle, communications equipment, facility equipment	¥49.6 billion	— 720 (19)
	ASDF	Light armored vehicle	1	1 0.4
BMD	MSDF	Upgrade of Aegis ships	(2)	(2) 102



Note 1: The procurement amount for FY 2013 indicates the number that was envisioned in the original budget.

Note 2: Price represents amounts, excluding non-recurrent costs, needed for the production of equipment. The non-recurrent costs are indicated in parentheses in the amount column (external value).

Note 3: "Number procured" indicates the number that is newly contracted in 2014. (The period for acquiring the item varies by equipment, but can take between two to five years.)

Note 4: The number in brackets represents the number related to upgrading the existing commissioned equipment.

Note 5: Regarding the number for the improvement of air-to-air combat capability of fighters (F-2) and improvement in capability of Airborne Warning And Control Systems (E-767), the upper figure represents the number of services of aircraft modified, while the lower figure represents the number of parts, etc. necessary for the improvement. One set to be procured for improvement in the capability of airborne warning and control systems (E-767) in FY 2014 indicates a portion of the parts, etc. necessary for improving the capabilities of four aircraft. Regarding the volume of procurement for the life extension of vessels, the upper figure represents the number of ships subject to life extension work and the lower figure represents the number of parts procured for life extension work.

Note 6: The number of procurements for capability improvement of Aegis ships in FY2014 represents the number of procurements of parts, etc., for upgrading two Atago-class destroyers with Ballistic Missile Defense (BMD) capability, which started in FY2012.

2 Major Research and Development Programs

	Item	Overview	FY2014 Amount (¥100 million)
New	Armored personnel carrier development (improved)	In order to respond to a variety of threats accompanying international peace cooperation activities, attacks on remote islets, etc. develop transportable and maneuverable armored personnel carrier (improved) with improved mobility (including traveling on rough roads) and enhanced defense power as a successor to Type-96 armored personnel carrier	47
	Integrate field command communication systems	Convert the GSDF command and control system into software and install it on field communication systems to enable sharing of data necessary for combat down to front-line forces, developing infrastructure for the strengthening of joint operation while enabling the exchange of secret data between Japan and the United States	80
	Research on technologies to respond to network-based cyber attacks	Implement a study to prevent the spread of damage by securing the route for important communication through prompt route modification in the network at the time of a cyber attack.	8
	Research of fuel cells, etc. that enable long-term operation of UUV(unmanned underwater vehicle)	Conduct research on fuel cells, etc. to enable UUV that can complement submarines with long time and wide-area underwater warning, surveillance and intelligence functions, as well as functions to transport and set up underwater equipment.	12
	Research on robots that can be used under the threat of nuclear disaster	Conduct research to realize robots that autonomously carry out surveillance, transportation of goods, restoration work, etc. even under bad weather and the threat of radiation caused by a nuclear disaster and biological/chemical agents.	9
	Research on radar and fire control system to detect stealth aircraft	Conduct research on radar and fire control system to detect, track and respond to stealth aircraft, etc. which pose difficulties to standard radars.	37
	Research on airframe structure with reduced weight	In preparation for weight reduction of fighters in the future, establish high-precision structural analysis technology to minimize the risk associated with weight reduction and conduct research on weight reduction of airframes using a unified fastener-less structure, etc.	21
Continued	Development of a new air-to-ship guided missile, XASM-3	Conduct development of a new air-to-ship missile (XASM-3) to be used for more effective response to enemy battle ships with high-performance air defense capability.	20
	Research on the engine component for a fighter aircraft	Conduct research on the engine component for a fighter aircraft that features greater thrust and slimmed configuration necessary for securing high-altitude and high-speed fighting for future fighters, the bodies of which are increasing in size.	129

3 Changes in Number of Personnel

● Changes in number of SDF personnel, etc.

(Unit : Person)

	End of FY2013	End of FY2014	Increase/ Decrease
GSDF	159,238	159,264	26
Regular personnel	151,063	151,089	26
Ready reserve personnel	8,175	8,175	0
MSDF	45,517	45,530	13
ASDF	47,097	47,133	36
Joint Units	1,227	1,261	34
Joint Staff	361	374	13
Defense Intelligence Headquarters	1,907	1,919	12
Internal Bureaus	—	56	56
Total	247,172	247,362	190
	(255,347)	(255,537)	(190)

Note 1: Figures for the end of each fiscal year are budget figures

Note 2: The number in the parentheses includes the number of SDF ready reserve personnel.

● Number of SDF personnel (annual average)

(Unit: Person)

	GSDF	MSDF	ASDF
Annual average	140,053	42,041	43,300

● Number of SDF reserve personnel

(Unit: Person)

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

● Number of candidates for GSDF reserve personnel

(Unit: Person)

	End of FY2013	End of FY2014	Increase/Decrease
SDF reserve candidates	4,600	4,600	0

● Change in the quota of administrative officials, etc

(Unit: Person)

	FY2013	FY2014	Remarks
Increase	316	377	
Rationalization program	▲488	▲347	
Additional rationalization	【▲91】		
Other rationalization, etc.	▲17	▲10	
Total	▲189 【▲280】	20	
Quota at the end FY	21,435	21,455	

Note 1: Including the Minister, Parliamentary Senior Vice-Minister, and two Parliamentary Vice-Ministers

Note 2: Additional rationalization of FY2013 【▲91】 is the effect of employment restraint, which was a portion of the quota rationalization for FY2014 implemented ahead of schedule as an effort shared across government ministries and agencies.

Defense-related expenditures

1 Overall Defense-related expenditures

[Expenditures (classified into 3 categories by expense)]

(Unit: ¥100 million)

	FY2013 budget		FY2014 Request for general budget + special budget allocations	
		YR/YR		YR/YR
Defense-related expenditures	46,804 (47,538)	351 [0.8] (400 [0.8])	48,194 (48,928)	1,390 [3.0] (1,390 [2.9])
Personnel and provisions expenses	19,896	△806 [△3.9]	20,953	1,057 [5.3]
Material expenses	26,908 (27,642)	1,157 [4.5] (1,206 [4.6])	27,240 (27,975)	333 [1.2] (333 [1.2])
Obligatory outlay expenses	16,612 (17,149)	298 [1.8] (494 [3.0])	17,250 (17,786)	637 [3.8] (637 [3.7])
General material expenses (activity expenses)	10,296 (10,493)	859 [9.1] (712 [7.3])	9,991 (10,189)	△305 [△3.0] (△305 [△2.9])

(Comments)

1. [] : growth rate

2. Figures may not add up to the total due to rounding (hereinafter the same)

3. The top row indicates SACO-related expenses and the U.S. forces realignment-related expenses where the portion intended to reduce the burden on the local community has been omitted. The number in parentheses in the bottom row indicates that which has been included.

The amount in the SACO-related expenses of the total are:

FY 2013: ¥8.8 billion; FY 2014 budget request: ¥8.8 billion (provisionally kept as the same amount as the previous FY amount)

The portion intended to reduce the burden on the local community out of the U.S. forces realignment-related expenses is:

FY 2013: ¥64.6 billion; FY 2014 budget request: ¥64.6 billion (provisionally kept as the same amount as the previous FY amount)

4. As expenses for the reconstruction of Sapporo Hospital, the figures for FY 2013 include ¥0.6 billion for expenditures (obligatory outlay expenses) and ¥0.1 billion for future obligations concerning new contracts. For FY 2014, they include ¥1.0 billion for future obligations concerning new contracts, which is a portion of the budget of the Ministry of Finance.

5. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.

6. Exchange rate for FY2014: US\$ = JPY ¥96

7. Because expenses involved in the introduction of a new government aircraft based on "Policies dealing with government aircraft" (decided by the government aircraft study committee on August 7, 2013) are to be discussed in the budget-making process, the request is made without indicating the amount.

[Future obligation concerning new Contracts]

(Unit: ¥100 million)

	FY2013 budget		FY2014 general budget request	
		YR/YR		YR/YR
Future obligation concerning new contracts	16,517 (17,299)	△155 [△0.9] (46 [0.3])	21,213 (21,995)	4,696 [28.4] (4,696 [27.1])

(Comments)

1. [] : growth rate (%)

2. The top row indicates SACO-related expenses and the U.S. forces realignment-related expenses where the portion intended to reduce the burden on the local community has been omitted. The number in parentheses in the bottom row indicates that which has been included.

The amount in the SACO-related expenses of the total are:

FY 2013: ¥4.2 billion; FY 2014 budget request: ¥4.2 billion (provisionally kept as the same amount as the previous FY amount)

The portion intended to reduce the burden on the local community out of the U.S. forces realignment-related expenses is:

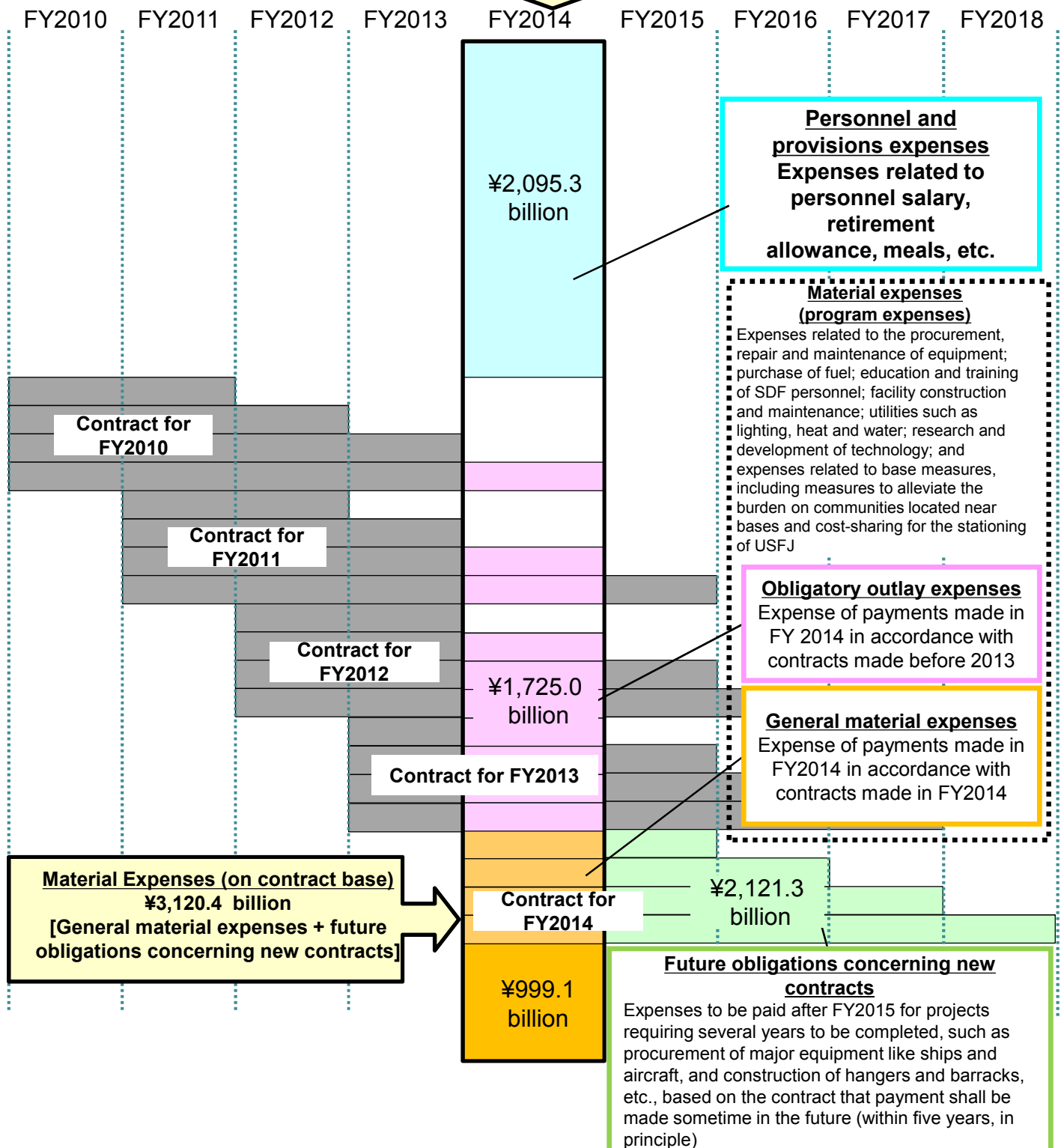
FY 2013: ¥74.0 billion; FY 2014 budget request: ¥74.0 billion (provisionally kept as the same amount as the previous FY amount)

3. YR/YR of FY2013 budget does not include the expenses related to the development and operation of X-band satellite communications (¥122.4 billion) in the FY2012 budget.

Composition of defense-related expenses

Expenditures: ¥4,819.4 billion
[Personnel and provisions expenses + obligatory outlay expenses+ general material expenses]

(Fiscal Year)



Notes:

1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this chart.
2. This chart is a rough diagram. The length of a box does not necessarily correspond to the actual amount of expenses.

2 Details of Material Expenses (Program Expenses)

[Details and classification of material expenses (program expenses)] (Unit: ¥ 100 million)

FY2014	Expenditure base	Contract base
Material expenses (program expenses)	27,240	31,204
Obligatory outlay expenses	17,250	
General material expenses	9,991	9,991
Future obligation concerning new contracts		21,213

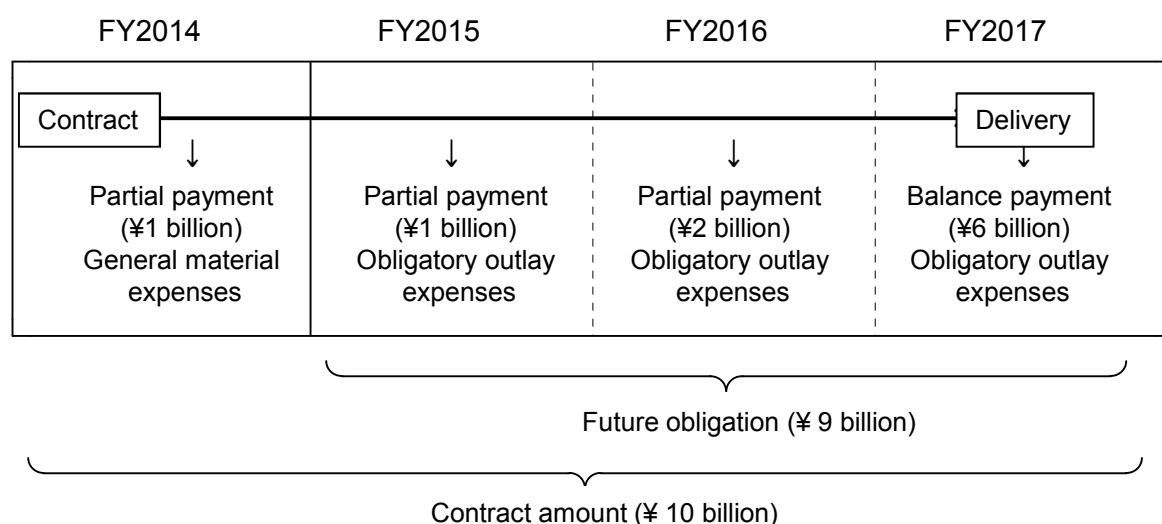
(Comment)

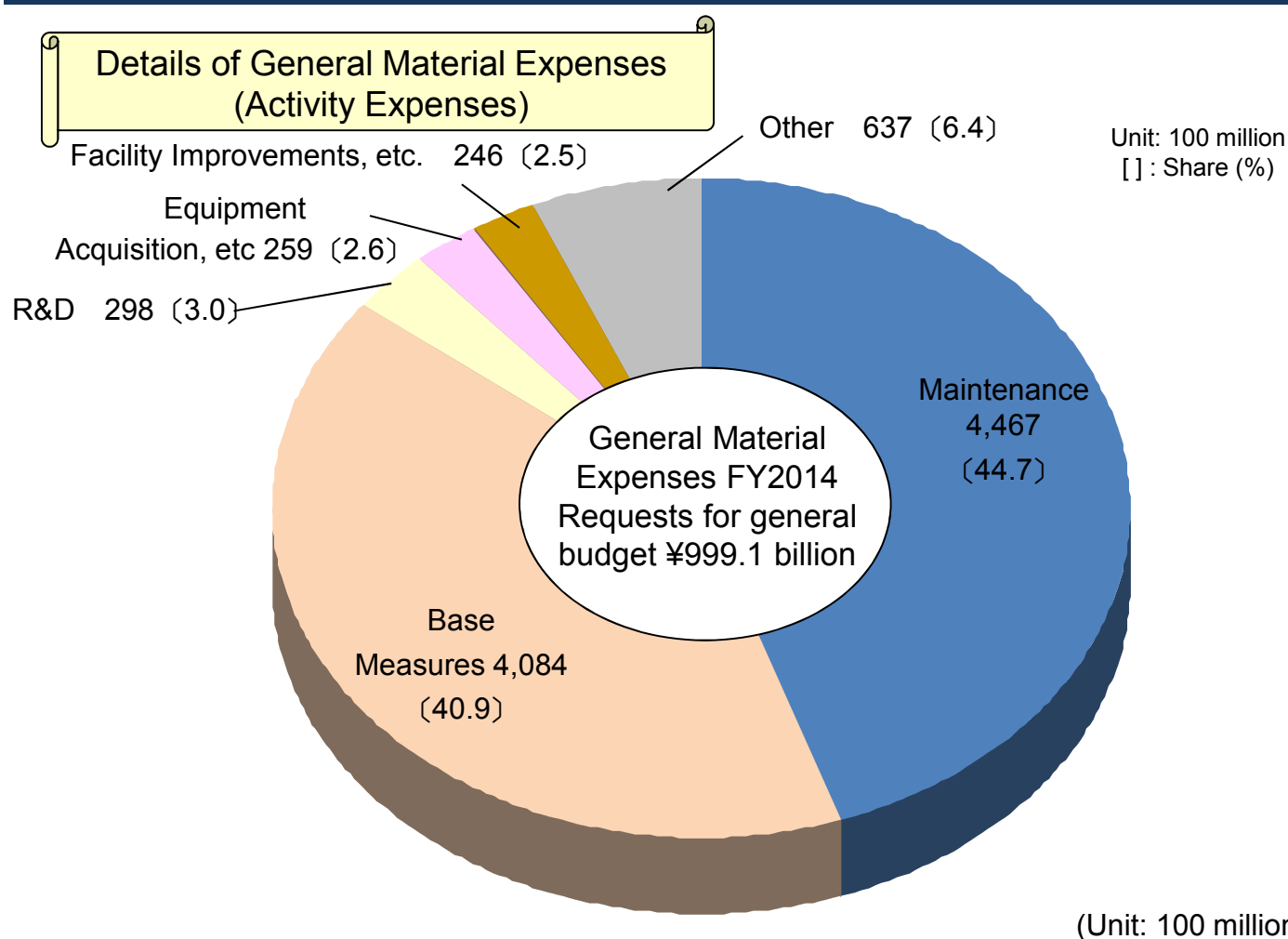
- **Expenditure base:** Total amount to be paid in the current fiscal year for projects like acquisition of equipment and facility development. Specifically, it is the sum of the expenses to be paid in FY 2014 (general material expenses) based on the contracts concluded in FY2014 and the expenses to be paid in FY 2014 (obligatory outlay expenses) based on the contracts concluded before FY 2013. This is a useful point of view in understanding the share of defense-related expenses in the overall expenditure budget of the government, which is on a one-year budget.
- **Contract base:** Total amount of contracts concluded in the current fiscal year for projects like acquisition of equipment and facility development. Specifically, the sum of the expenses to be paid in FY 2014 and the expenses to be paid after FY2015 (future obligation pertaining to new contracts) based on the contracts concluded in FY2014. This is a useful point of view in understanding the total amount of expenses by program with respect to year-by-year projects for developing defense power.

Concept of Future Obligation

Build-up of defense capabilities, such as procurement of major equipment including vessels and aircraft, as well as construction of hangars and accommodations for SDF personnel, may take several fiscal years. For this reason, the MOD makes contracts which span several fiscal years (in principle less than five years), and at the time of concluding 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 (or years) following the year the contract is made, in accordance with the contract of several fiscal years.
(e.g.) ¥10 billion worth of equipment is procured under a four-year contract





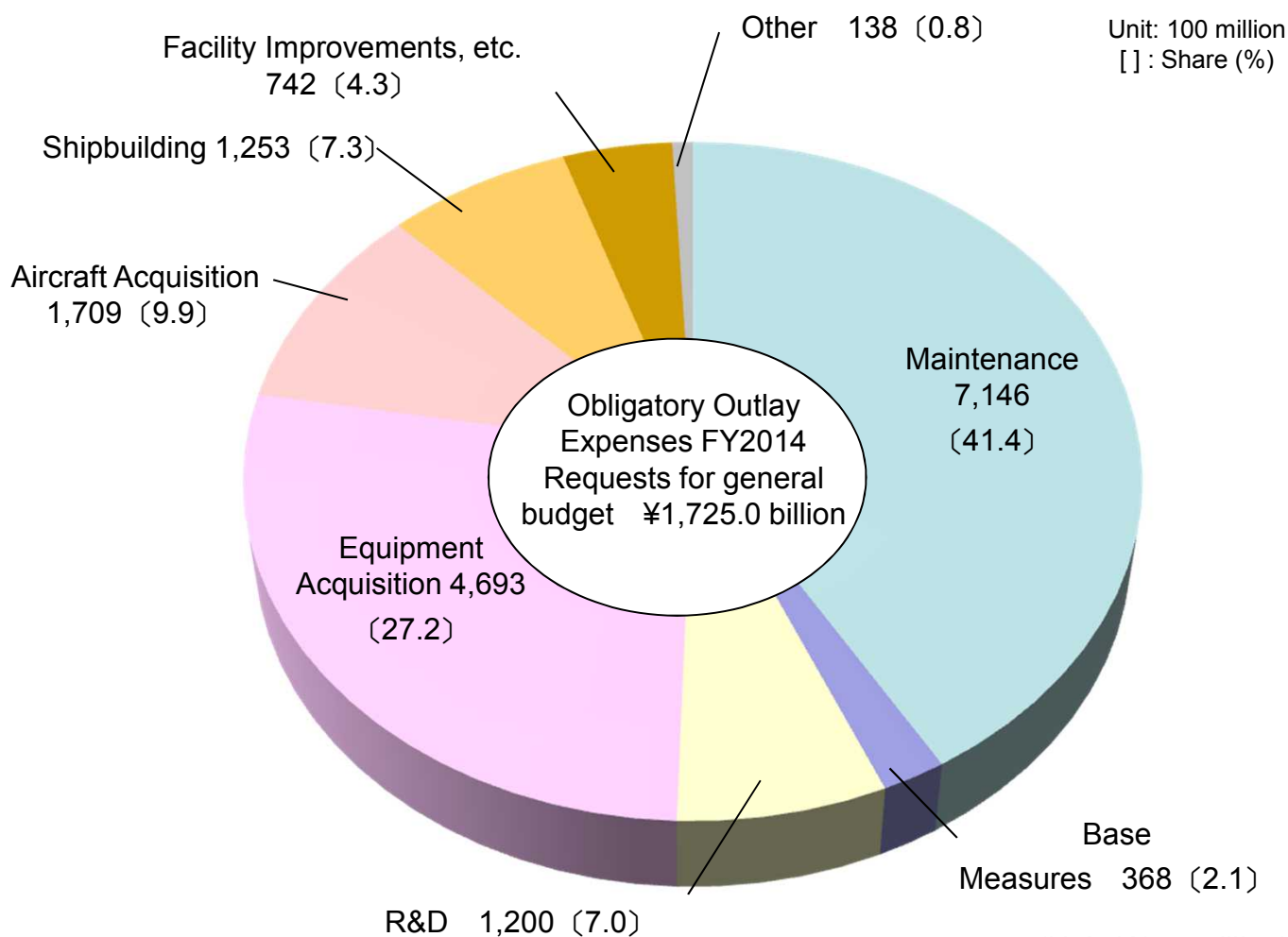
Item	FY2013	FY2014 Requests for general budget	YR/YR
Maintenance	4,084	4,467	383
• Petrol	999	1,193	194
• Repair	1,619	1,716	97
• Education & Training	272	300	28
• Medical Care	253	260	7
• Utilities	942	999	56
Base Measures	4,009	4,084	74
• Community Grants	1,001	1,019	17
• Host Nation Support	1,691	1,726	35
• Rent, Compensation Costs	1,317	1,339	22
Research & Development	275	298	23
Equipment Acquisition	411	259	△153
Facility Improvements	184	246	62
Other (computer rentals, etc.)	1,332	637	△695
Total	10,296	9,991	△305

Note: 1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.

2. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.

2 Details of Material Expenses (Program Expenses)

Details of Obligatory Outlay Expenses

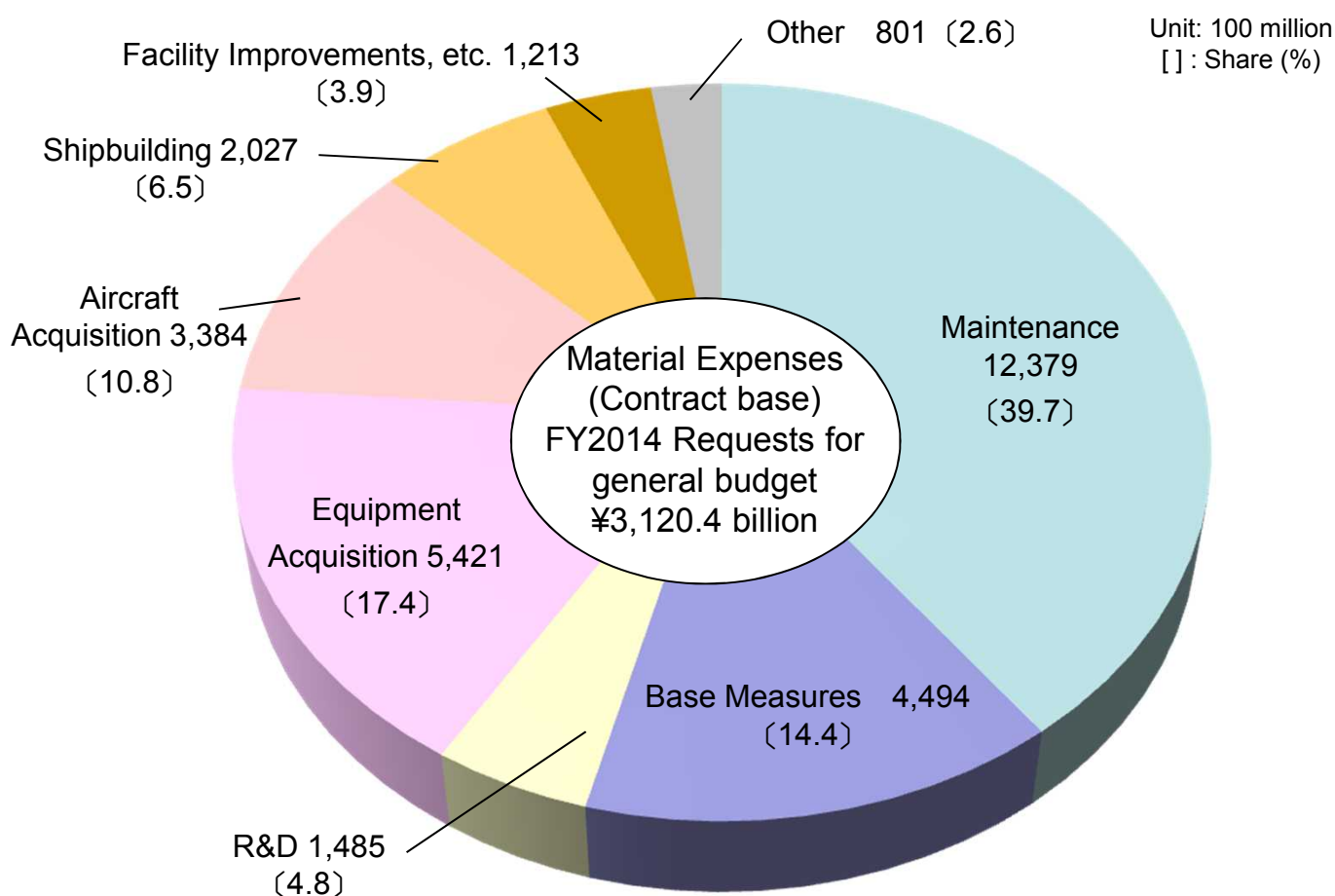


(Unit: ¥100 million))

Item	FY2013	FY2014 Requests for general budget	YR/YR
Maintenance	7,049	7,146	97
Repair	6,708	6,796	88
Education & Training	341	349	9
Base Measures	372	368	△4
Research & Development	1,267	1,200	△67
Equipment Acquisition	4,426	4,693	267
Aircraft Acquisition	1,077	1,709	632
Shipbuilding	1,528	1,253	△275
Facility Improvements	766	742	△24
Other (computer rentals, etc.)	127	138	11
Total	16,612	17,250	637

Note: SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.

Details of Material Expenses (Contract Base)



(Unit: ¥100 million)

Item	FY2013	FY2014 Requests for general budget	YR/YR
Maintenance	11,313	12,379	1,066
Petrol	999	1,193	194
Repair	8,528	9,052	523
Education & Training	1,786	2,134	349
Base Measures	4,405	4,494	89
Research & Development	1,309	1,485	176
Equipment Acquisition	3,769	5,421	1,652
Aircraft Acquisition	1,992	3,384	1,393
Shipbuilding	1,523	2,027	505
Facility Improvements	1,043	1,213	170
Other (computer rentals, etc.)	1,460	801	△659
Total	26,813	31,204	4,391

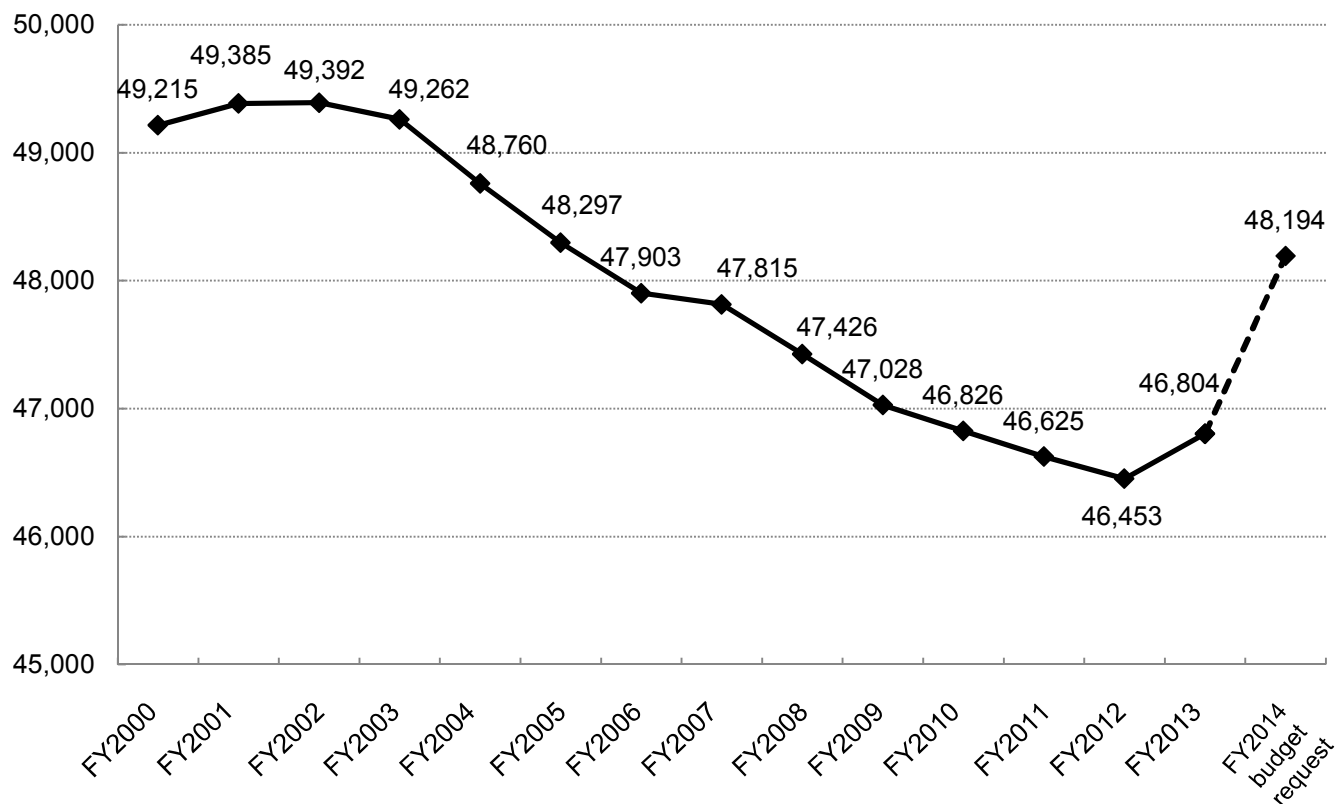
Note: 1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.

2. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.

(Reference) Changes in defense-related expenditures

Changes in total amount

(¥100 million)



Changes in growth rate

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Growth rate	0.0	0.3	0.0	Δ0.3	Δ1.0	Δ1.0	Δ0.8	Δ0.2

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 budget request
Growth rate	Δ0.8	Δ0.8	Δ0.4	Δ0.4	Δ0.4	0.8	3.0

Notes

1. Above figures are on an expenditure basis.
2. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.
3. The expenditures on the Security Council are not included in the defense-related expenditures since they are requested for rearrangement as other expenses from FY2008. The expenditures before FY2008 are also excluded from "Defense-related expenditures" for the purpose of comparison.

Changes in the three categories

General Material Expenses

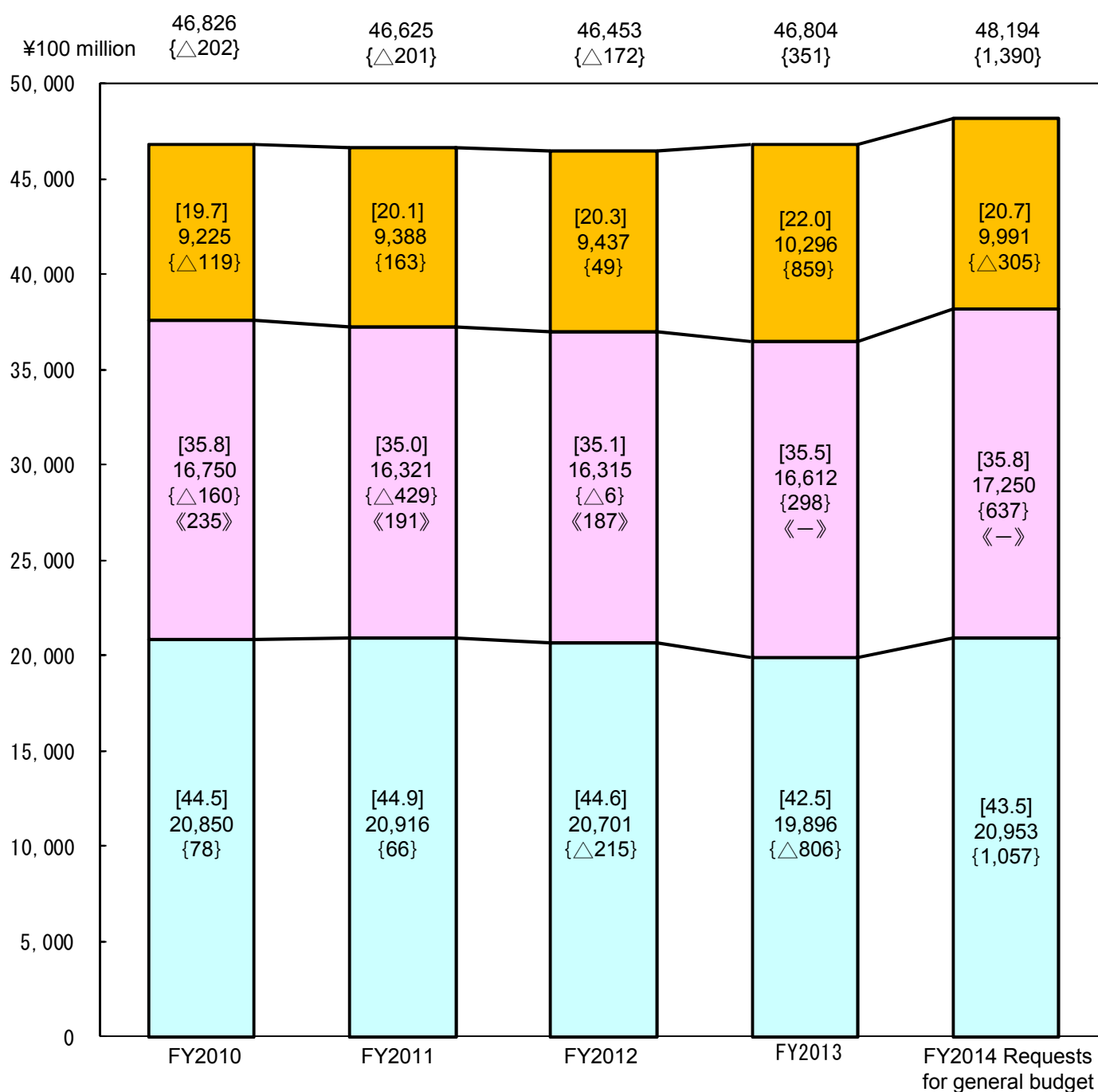
Obligation Outlay Expenses

Personnel Provisions Expenses

[] : Share of expenses budget (%)

{ } : YR/YR increase/decrease

《 》 : Expenditures that are to be expended later on



Note: 1. SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.

2. General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.

Breakdown by organization

(Unit: ¥100 million, %)

Classification	FY2013	FY2014 Requests for general budgets	YR/YR	Growth rate
Defense expenditure	46,804	48,194	1,390	3.0
Ministry of Defense	46,798	48,183	1,385	3.0
(Ministry of Defense Head Office)	46,624	47,990	1,367	2.9
GSDF	16,929	17,729	801	4.7
MSDF	11,190	11,462	271	2.4
ASDF	10,234	10,947	713	7.0
Sub-total	38,353	40,138	1,785	4.7
Internal bureaus	4,739	4,827	88	1.9
Joint Staff	241	277	36	15.0
Defense Intelligence Headquarters	503	654	150	29.9
National Defense Academy	142	145	4	2.8
National Defense Medical College	233	248	15	6.3
National Institute for Defense Studies	20	26	6	32.8
Technical Research and Development Institute	1,636	1,599	△36	△2.2
Equipment Procurement and Construction Office	63	70	7	11.1
Inspector General's Office of Legal Compliance	4	5	1	11.4
Sub-Total	7,581	7,852	271	3.6
Recorded in the Special Account for the Reconstruction from the Great East Japan Earthquake (Regional Defense Bureaus)	689	—	△689	Program abolished
	174	193	19	10.9
Ministry of Finance				
(Ministry of Finance Head Office)	6	10	5	77.8

Note: SACO-related expenses and the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses are excluded from this table.

Promotion of base measures, etc

(Unit: ¥100 million, %)

Classification	FY2013 budget	FY2014 Requests for general budget	YR/YR	Growth rate	Remarks
Promotion of base measures	< 4,405 > 4,381	< 4,494 > 4,452	< 89 > 71	< 2.0 > 1.6	
(1) Expenses related to measures for local communities	< 1,211 > 1,200	< 1,238 > 1,230	< 27 > 30	< 2.2 > 2.5	
Residential sound insulation	< 428 > 428	< 441 > 438	< 13 > 10	< 3.1 > 2.4	Subsidies for sound insulation work near air base
Improvement of surrounding environment	< 783 > 772	< 796 > 792	< 13 > 20	< 1.7 > 2.6	Subsidies for living environment and facilities (river and road reconstruction, sound-proofing systems in schools, etc.)
(2) Cost-sharing for the stationing of USFJ	< 1,864 > 1,860	< 1,907 > 1,873	< 43 > 13	< 2.3 > 0.7	
Special Measures Agreement	1,398	1,407	9	0.6	
Labor cost	1,144	1,153	8	0.7	Cost of wages of USFJ employees
Utilities	249	249	0	0.0	Cost of utilities used at USFJ facilities
Training relocation cost	4	5	0	11.1	Expenses related to US field-carrier landing practice on Iwo Jima
Facilities improvement	< 213 > 209	< 247 > 213	< 34 > 4	< 15.9 > 1.7	Improvement of USFJ facilities (barracks, family housing, etc.)
Measures for USFJ employees, etc.	253	253	0	0.1	Expenses related to social insurance premiums by the employer
(3) Facility rentals, compensation expenses, etc.	< 1,330 > 1,321	< 1,349 > 1,349	< 19 > 28	< 1.4 > 2.1	Rental cost of land used for defense facility and compensation for loss of fishermen's income, etc.

Note: The figures are on an expenditure basis, and figures in < > indicate contract-based amounts.



URL: <http://www.mod.go.jp>

Defense Programs and Budget of Japan

Overview of FY2014 Budget Request

Published in August 2013

Published by the Ministry of Defense

Defense Planning and Programming Division, Bureau of Defense Policy

Finance Division, Bureau of Finance and Equipment,

5-1 Ichigaya-Honmuracho, Shinjuku-ku, Tokyo 162-8801

Tel: 03 (3268) 3111