



## Defense Programs and Budget of Japan Overview of FY2015 Budget



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

# Defense Programs and Budget of Japan

Overview of FY2015 Budget

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## Concept of FY2015 Budget

1. Steadily improve defense capabilities, including acquisition of equipment decided to be newly introduced, in order to develop a Dynamic Joint Defense Force during FY2014 according to the “National Defense Program Guidelines for FY2014 and beyond” (approved by the Cabinet on December 17, 2013) and the “Mid-Term Defense Program for FY2014 through FY2018” (approved by the Cabinet on December 17, 2013).
2. Build defense capabilities with particular emphasis on ISR capabilities, intelligence capabilities, transportation capabilities, command and control, and information and communications capabilities, response to attacks on remote islands, response to ballistic missile attacks, responses in outer space and cyber space, responses to major disasters and responses focused on international peace cooperation activities and other similar activities. These defense capabilities will allow MOD and the SDF to seamlessly and swiftly play such roles as practicing effective deterrence and response to various situations, stabilization of the Asia-Pacific region and improvement of global security environments while attempting to further improve the joint functions.
3. In view of the current fiscal austerity, practice efficient and rational spending in a way compatible with other national policies.

Note 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](#) in the text indicate [new programs](#).

# 1 Effective deterrence and response to various situations

**In order to provide effective deterrence and respond to a variety of security situations, Japan will build necessary defense capabilities to ensure security of the seas and airspace surrounding Japan, respond to attacks on remote islands, respond to ballistic missile attacks, respond to outer space and cyberspace threats, respond to large-scale disasters, and strengthen intelligence capabilities.**

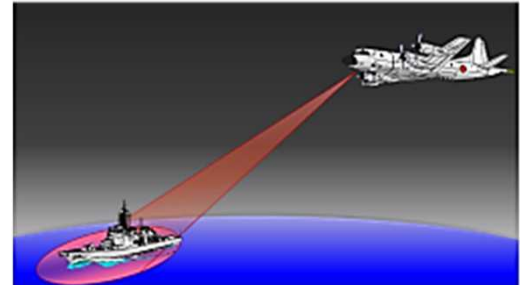
## (1) Ensuring security of seas and airspace surrounding Japan

**Carry out continuous surveillance across wide areas, strengthen information gathering, warning and surveillance capabilities in the seas and airspace surrounding Japan, including the acquisition of new equipment, in order to enable early detection of various warning signs.**

- Acquisition of fixed-wing patrol aircraft (P-1)  
(20 units: ¥350.4 billion).
  - Acquire P-1 with improved detection/discernment capabilities, flight performance, information processing capabilities, and attack capabilities to succeed the existing fixed-wing patrol aircraft (P-3C).
  - Reduce cost through bulk procurement while ensuring the procurement of 20 P-1.
- Capability improvement for fixed-wing patrol aircraft (P-3C) (¥1.0 billion).
  - Procure devices necessary to improve capabilities of radars and infrared detection systems and implement upgrading in order to improve the detection/discernment capabilities of fixed-wing patrol aircraft (P-3C).
- Life extension of fixed-wing patrol aircraft (P-3C)  
(3 units: ¥1.1 billion)
  - Implement life extension measures for P-3C to maintain the number of fixed-wing patrol aircraft.
- Acquisition of patrol helicopters (SH-60K)  
(2 units: ¥13.8 billion)
  - Acquire patrol helicopter SH-60K with improved capability to detect submarines and increased attack capabilities to succeed the existing patrol helicopter SH-60J.
- Life extension of patrol helicopters (SH-60J)  
(2 units: ¥1.0 billion)
  - Implement life extension measures for SH-60J to maintain the number of patrol helicopters.



*Fixed-wing patrol aircraft (P-1)*

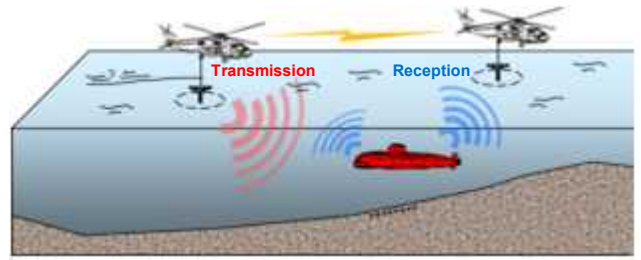


*Capability improvement for fixed-wing patrol aircraft(P-3C)*



*Patrol helicopter SH-60K*

- Development of new patrol helicopters (¥7.0 billion)
  - Develop patrol helicopters with capabilities to detect submarines by coordinating with multiple helicopters in order to ensure superiority in anti-submarine operations in the seas surrounding Japan, including shallow seas.



Operation of new patrol helicopters

- Acquisition of new airborne early-warning aircraft (E-2D) (1 unit: ¥23.2 billion)
  - Acquire new airborne early-warning aircraft (E-2D) to enhance the warning and surveillance capabilities in the surrounding airspace, including the Southwest region.
  - ¥41.9 billion is allocated separately for other related expenses (equipment for maintenance, etc.)



New airborne early-warning aircraft (E-2D)  
(of same aircraft type)

- Improvement of the capability of Airborne Warning And Control System (AWACS)(E-767) (¥15.6 billion)
  - Implement the acquisition, etc., of part of the components necessary for the conversion of central computing devices, etc., in order to improve the warning and control capability of the existing E-767.



Airborne Warning And Control System  
(AWACS) E-767

- Acquisition of part of the Unmanned Aerial Vehicle (Global Hawk) system (¥15.4 billion)
  - Acquire airframe components with a long acquisition period and ground system for remote control operation in order to enhance persistent wide-area ISR capabilities.



Unmanned aerial vehicle (Global Hawk) (of same aircraft type)



## 1 Effective deterrence and response to various situations

- Construction of an Aegis-equipped destroyer (DDG) (construction of one ship and procurement of another Aegis system for the second ship: ¥168.0 billion)
  - Construct an Aegis-equipped destroyer to comprehensively improve our capability to respond to ballistic missiles and strengthen the posture to protect Japan with multi-layered sustained measures.
  - Procure the Aegis system for the second DDG together to practically start construction of two Aegis-equipped destroyers while reducing procurement costs.



*Aegis-equipped destroyer  
(8,200t class)*

- Life extension of destroyers (life extension work for 3 ships and parts procurement for 7 ships: ¥6.5 billion)
  - Implement life extension measures for Hatsuyuki-class (1 ship), Asagiri-class (3 ships), Abukuma-class (4 ships), Hatakaze-class (1 ship), and Kongo-class (1 ship) destroyers to maintain the number of destroyers.

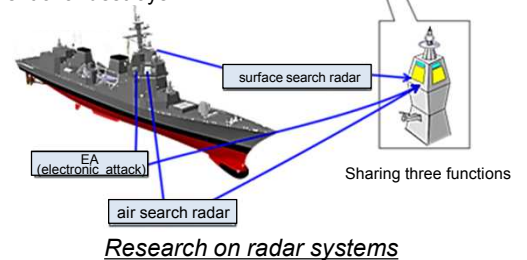
- Conduct research and study toward construction of new compact-type hull destroyers with additional multifunctional capabilities (¥0.3 billion)
  - Carry out research and study necessary in determining performances, etc. toward construction of new destroyers.



*New destroyer*

- Research on new radar systems for compact-type hull destroyers (¥3.3 billion)
  - Carry out research on new radar systems for destroyers that are downsized through shared antennas for air search radar, surface search radar, etc. while enhancing performance through coordination of various sensors.

Conventional destroyer



*Research on radar systems*

- Study on operation, etc. of ship-based unmanned aerial vehicles (¥0.5 million)
  - Carry out analysis on performance information etc. of sensors to be integrated on ship-based UAVs as well as those operational guidelines after the installation.



*Ship-based unmanned aerial vehicle*

- Construction of a submarine (1 ship: ¥64.3 billion)
  - Construct the 11th Soryu-class submarine (2,900t class) to increase the number of submarines from the current 16 to 22 ships.
  - Improve underwater endurance, etc. compared with the existing Soryu-class submarines by mounting lithium-ion batteries



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

- Life extension of submarines (life extension work for 2 ships and parts procurement for 3 ships: ¥3.4 billion)
  - Implement life extension measures for Oyashio-class submarines in order to increase the number of submarines from the current 16 to 22 ships.



## (2) Respond to attacks on remote islands

In order to respond to attacks on remote islands, MOD will develop continuous surveillance capabilities, ensuring and maintaining air & maritime superiority, improve rapid deployment and response capabilities such as transport and amphibious operation capabilities, and enhance the infrastructure for command and control and information and communications capabilities.

### ① Developing continuous surveillance capabilities

- Establishment of the 303<sup>rd</sup> Coastal Observation Unit (provisional name)
  - With a view to organizing the structure required to carry out regular and persistent ISR activities, establish and deploy a unit at Yonaguni island for conducting coastal observation of ships and aircraft passing through nearby areas
  - Acquire land for housing for SDF Personnel, etc. (¥0.2 billion)
- Acquisition of new airborne early-warning aircraft (E-2D) (repost)
- Acquisition of part of the Unmanned Aerial Vehicle (Global Hawk) system (repost)



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

### ② Ensuring and maintaining air superiority

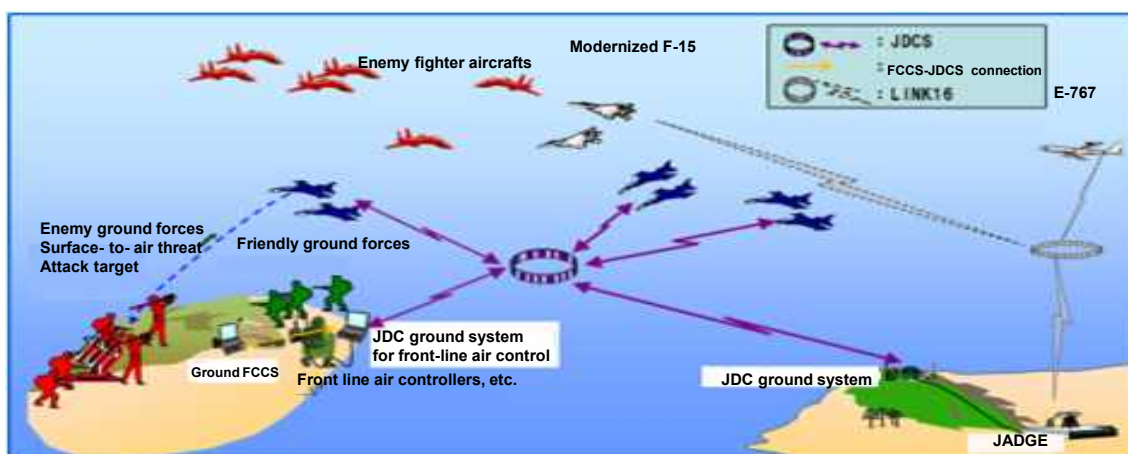
- Acquisition of fighter aircraft (F-35A) (6 units: ¥103.2 billion\*)
  - \* ¥17.7 billion is allocated separately for initial expense to promote the industrial participation of domestic corporations.
  - \* ¥18.1 billion is allocated separately for other related expenses (equipment for education machinery/material, etc.)
- Fighter aircraft upgrades (¥11.0 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.
  - Modernization of fighter aircraft (F-15) (8 units: ¥10.1 billion)
  - Improvement of air-to-air combat capability of fighter aircraft (F-2) (9 sets: ¥0.2 billion\*)
    - \* expenses for 9 kits necessary for airframe upgrade
  - Upgrade of fighter aircraft (F-2) by equipping JDCS(F)
    - \* (2 units: ¥0.7 billion)
    - ※ JDCS(F) (Japan self defense force Digital Communication System (for fighters))



*F-35A fighter aircraft (of same aircraft type)*



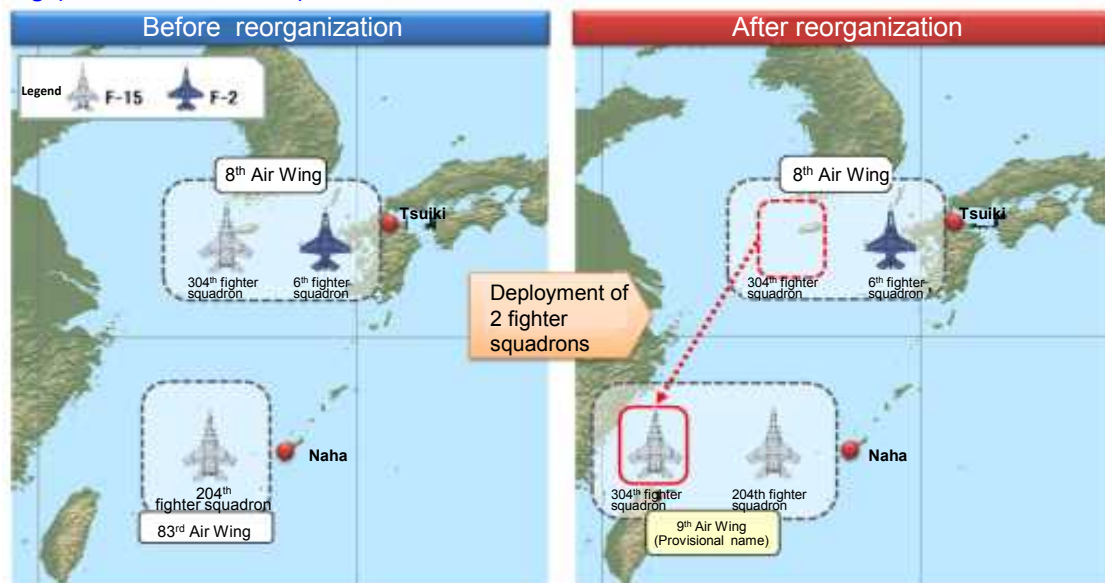
*F-15 and F-2 fighter aircraft*



*Fighter aircraft (F-2) JDCS operation*

- Establishment of the 9<sup>th</sup> Air Wing (provisional name) following the deployment of two fighter squadrons

In order to enhance the air defense posture in the southwest region, relocate one fighter squadron (F-15 unit) to Naha Air Base, abolish the 83<sup>rd</sup> Air Wing and establish the 9<sup>th</sup> Air Wing (Provisional name).



*Change in the posture with the deployment of two fighter squadrons*

- Acquisition of rescue helicopter (UH-60J)  
(1 unit: ¥4.9 billion)
- Additional installment of aerial refueling functions to transport aircraft (C-130H) (1 set: ¥0.6 billion)  
In order to ensure the scope and time for search and rescue activities when responding to attacks to remote islands, etc., acquire upgrade components to add aerial refueling functions to the rescue helicopter (UH-60J)
- Acquisition of surface-to-air missile for base air defense  
(1 set: ¥5.6 billion)
- Acquisition of Type-11 short-range surface-to-air missile (1 set: ¥2.9 billion)
- Acquisition of Type-03 medium-range surface-to-air missile (SAM)(1 set: ¥16.4 billion)



*Aerial refueling/transport aircraft  
(KC-130H)*



*Surface-to-air missile for base air defense  
(ASDF: left); Type-11 short-range surface-to-air  
missile (GSDf: right)*

- Acquisition of an air defense command and control system (1 set: ¥2.8 billion)  
Develop an air defense command and control system to respond to air threats in remote islands



*Air defense command and  
control system*

### ③ Ensuring and maintaining maritime superiority

- Acquisition of fixed-wing patrol aircraft (P-1) (repost)
- Capability improvement for fixed-wing patrol aircraft (P-3C) (repost)
- Life extension of fixed-wing patrol aircraft (P-3C) (repost)



*Fixed-wing patrol aircraft (P-3C)*

- Acquisition of patrol helicopters (SH-60K) (repost)
- Life extension of patrol helicopters (SH-60J) (repost)
- Development of new patrol helicopters (repost)



*Patrol helicopters (SH-60J)*

- Construction of an Aegis-equipped destroyer (DDG)  
(construction of one ship and procurement of another Aegis system for the second ship) (repost)
- Life extension of destroyers (life extension work for 3 ships and parts procurement for 7 ships) (repost)



*Hatsuyuki-class destroyer*

- Conduct research and study toward construction of new compact-type hull destroyers with additional multifunctional capabilities(repost)
- Research on new radar systems for compact-type hull destroyers (repost)
- Study on operation, etc. of ship-based unmanned aerial vehicles (repost)

- Construction of a submarine (1 ship) (repost)
- Life extension of submarines (life extension work for 2 ships and parts procurement for 3 ships) (repost)



*Oyashio-class submarine*

- Development of a maritime operation center (new building for Self Defense Fleet HQ, etc.) (¥1.0 billion)  
Develop a maritime operation center in Funakoshi District of Yokosuka in order to establish a posture for more effective and smooth response to various situations in close cooperation with GSDF, ASDF, U.S. forces, and relevant government offices (implement site preparation as a first phase of the construction work)

#### ④ Enhance rapid deployment and response capabilities

○ Acquisition of tilt-rotor aircraft, etc.

With a view to enhance unit deployment capabilities in amphibious operations, acquire tilt-rotor aircraft that complement and strengthen the capabilities of transport helicopters (CH-47JA) in terms of cruising speed and range.

- Acquire tilt-rotor aircraft (V-22) (5 units: ¥51.6 billion)
- Other related expenses (equipment for education, etc.) (¥9.5 billion)



Tilt-rotor aircraft (V-22)  
(of same aircraft type)

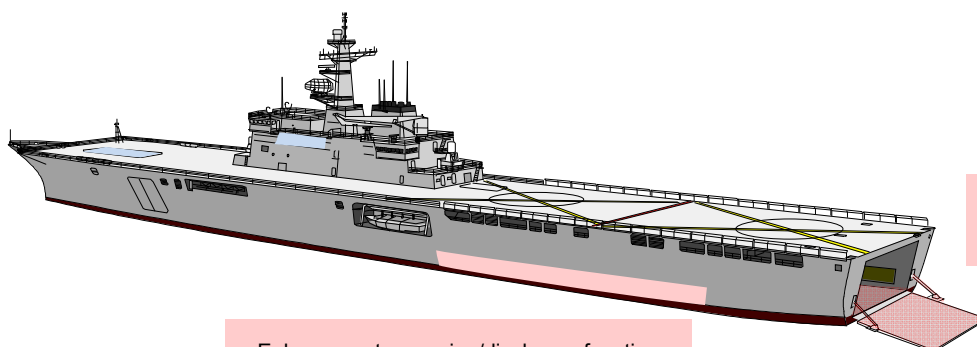
○ Acquisition of amphibious vehicles (AAV7) (30 units: ¥20.3 billion)  
Acquire amphibious vehicles with excellent maritime mobility and protection ability that support unit's amphibious landing efforts on remote islands.



Amphibious vehicle (AAV7)  
(of same vehicle type)

○ Upgrade MSDF Osumi-class LST (¥0.6 billion)

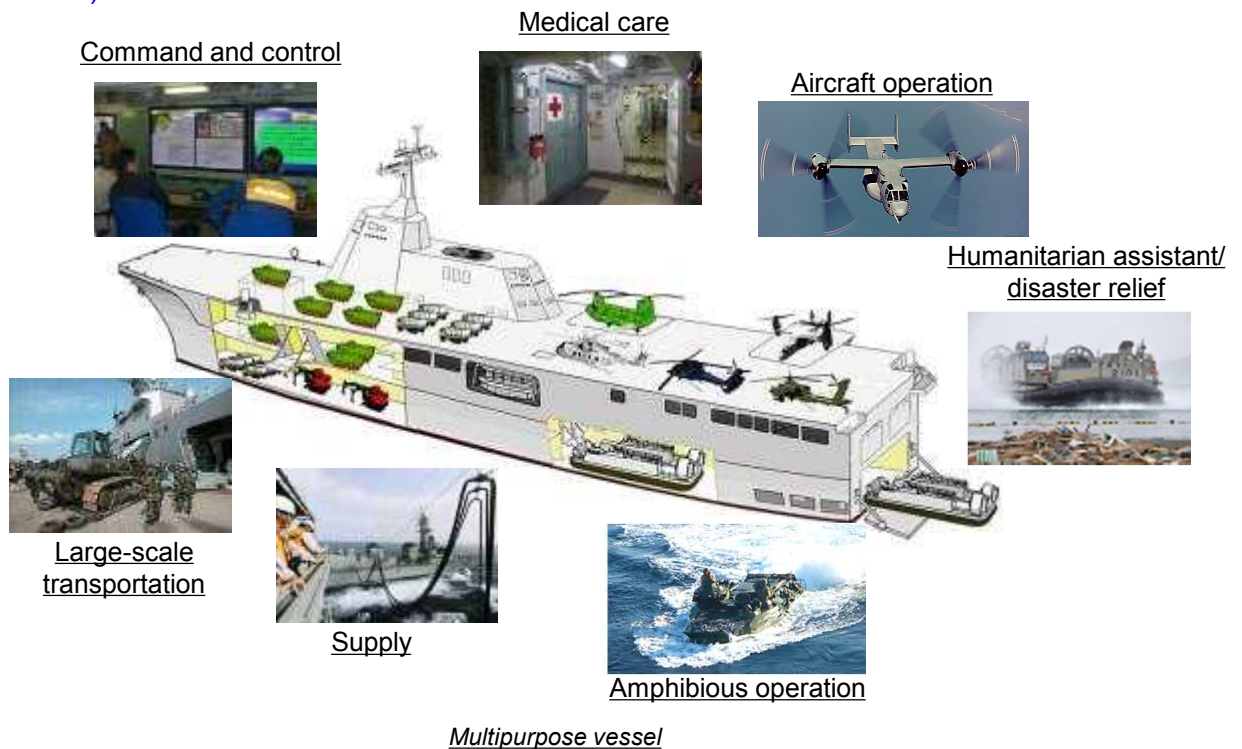
In order to enhance transport capability concerning amphibious operations, acquire parts for upgrades necessary for strengthening the opening/closing mechanism and water pouring/discharge function of the stern gate toward upgrading the MSDF Osumi-class transport LST.



MSDF Osumi-class LST



- Conduct overseas studies on multipurpose vessels with capabilities for command and control, large-scale transportation, and aircraft operations which can be utilized in amphibious operations, etc. (¥5 million)



- Development of amphibious operations related units, etc. (¥17.9 billion)

Allocate land acquisition expenses, site survey expenses, etc. related to deploying bases for the new amphibious rapid deployment brigade and operation related units to be newly introduced.

- Development of operation base for tilt-rotor aircraft
- Development of operation base for amphibious vehicle units
- Development of facilities related to the amphibious deployment brigade

\* MOD is currently coordinating with the U.S. government regarding the use of Saga airport by the U.S. Marine Corps.



*Positional relation of related units*

- Deployment of an area security unit in the southwest region (¥3.2 billion)

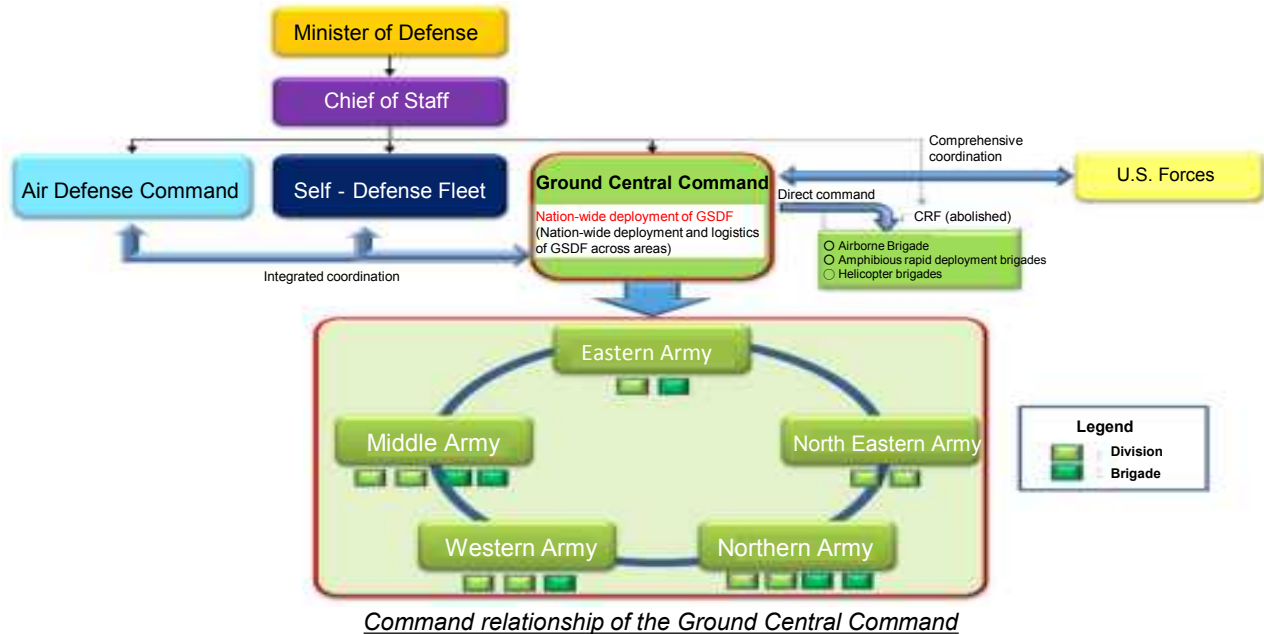
Allocate the expenses to acquire land for deployment of an area security unit, etc. in Amami-Oshima in order to establish an initial response posture for defense of the remote islands.



*Candidate sites for an area security  
unit deployment*

## 1 Effective deterrence and response to various situations

- Preparation for the establishment of the Ground Central Command
  - Allocate related project expenses for the establishment of a unified HQ contributing to enhancing GSDF's nation-wide operation posture.
  - Allocate site surveys, etc. necessary for the development of office building, etc. for the Ground Central Command HQ (Provisional name) (¥0.3 billion)
  - Establish a preparation posture for the establishment of the Ground Central Command (set up a preparation office)



- Joint exercise in the United States ('Dawn Blitz') (JS)
  - Participate in field training exercises held by the United States in order to enhance SDF joint operations pertaining to respond to attacks on remote islands and bilateral response with the U.S. forces.



Dawn Blitz

- 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 and combat capabilities necessary for operations on remote islands as well as to enhance mutual cooperation with the U.S. Marine Corps.



Iron Fist

- SDF Joint Exercise (field training exercise) (JS)
  - In order to maintain and enhance SDF's joint operation capabilities, implement coordination training and verify operations of the GSDF, MSDF and ASDF in response to possible armed attacks.

- PFI project pertaining to the utilization of civilian maritime transport capabilities (¥25.0 billion)
  - Ensure stable, long-term sustainment and utilization of civilian ships (2 ferries) using funds of the private sector, etc. in order to conduct efficient large-scale transportation movements in coordination with the SDF's transport capabilities.

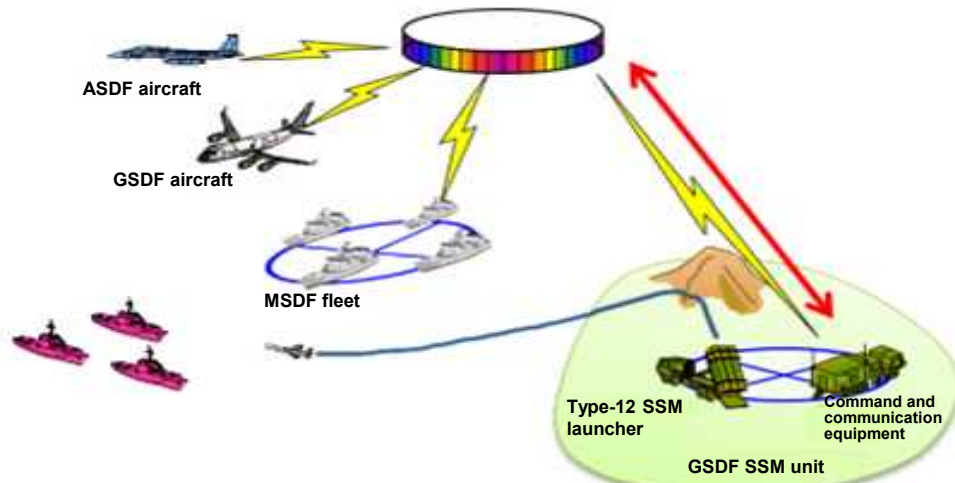


Civilian ferry



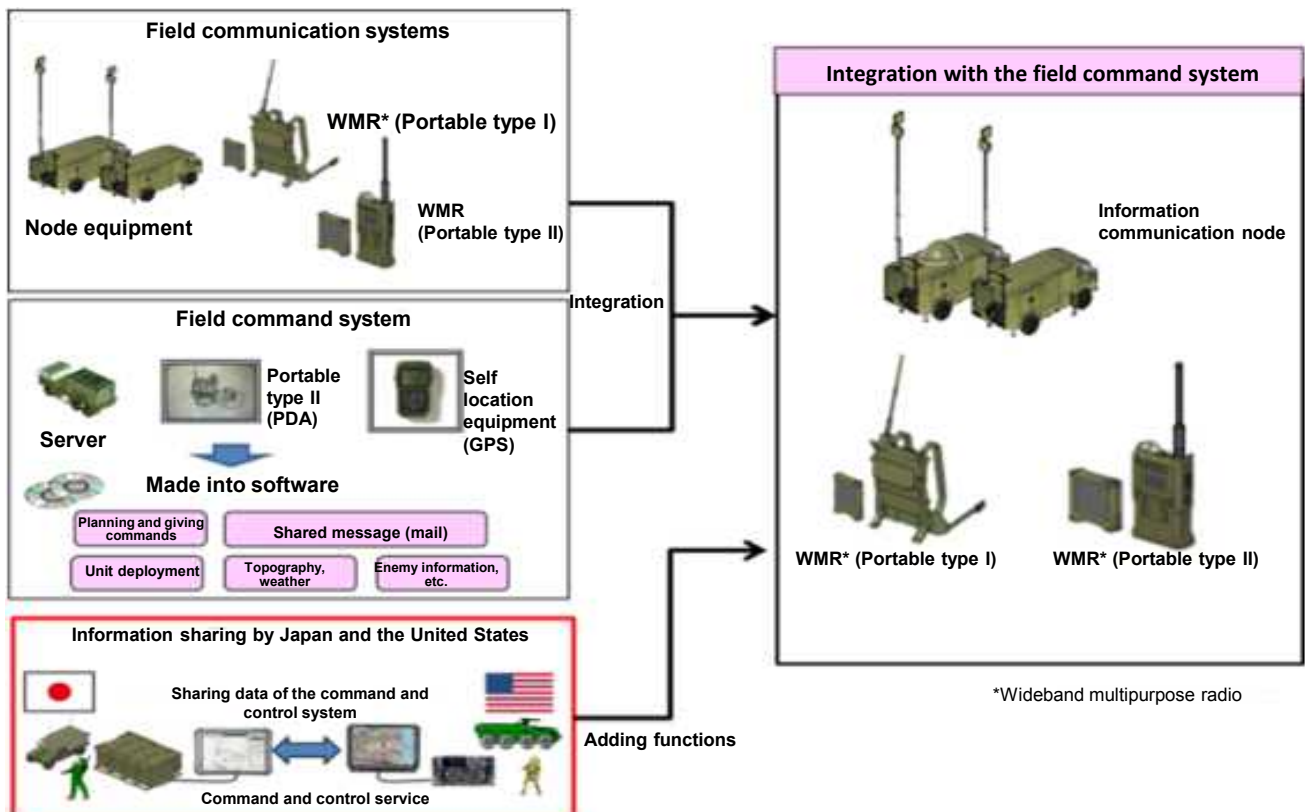
## ⑤ Strengthen the infrastructure for command and control, and information and communications capability

- Improvement of command, control and communication functions
  - Study and research on the introduction of a data link function (¥40 million)  
Allocate expenses for conducting study and research on the introduction of a data link function mainly with the GSDF SSM (surface-to-ship missile) system in order to share real-time target information, etc. among the GSDF, MSDF and ASDF units.
  - Human resource development through education commissioned to the U.S. forces (¥0.1 billion)  
Allocate human resource development expenses for training of personnel to operate the link function.



*Graphic image of GSDF SSM operation by introduction of a data link function*

- Integration of field command communication systems (¥2.0 billion)  
Convert the GSDF command and control system into software and install it on field communication systems to enable data sharing necessary for combat down to front-line forces, while conducting research to enable exchanges of secret data between Japan and the U.S.



*Integration of field command communication systems*

### (3) Respond to ballistic missile attacks

**Strengthen structures that protects Japan from ballistic missile attacks with multi-layered sustained measures. In addition, simultaneously build structure that respond to guerilla/special force attacks**

BMD-related budget: ¥244.9 billion

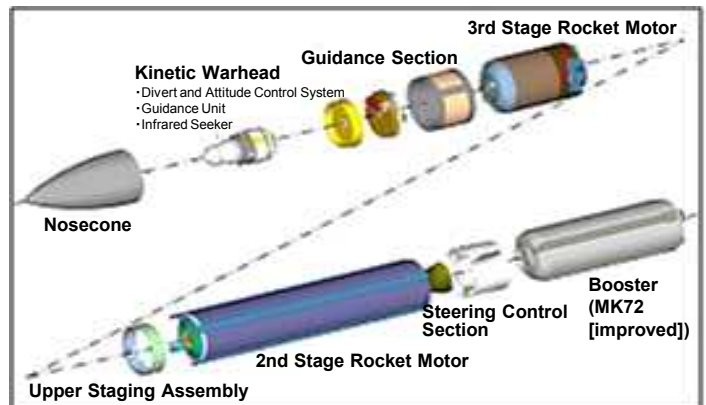
#### ① Respond to ballistic missile attacks

- Construction of an Aegis-equipped destroyer (DDG)  
(construction of one ship and procurement of another Aegis system for the second ship) (repost)
- Upgrade of the capability of destroyers with Aegis system (2 ships: ¥16.8 billion)  
Continue upgrading two Atago-class destroyers with ballistic missile defense capability, which started in FY2012.



*Atago-class destroyer "Ashigara"*

- Japan-U.S. cooperative development of Advanced Ballistic Missile Interceptor (SM-3 Block IIA) (¥9.4 billion)  
To improve capabilities against ballistic missile attacks, Japan and the U.S. will continue their cooperative development of an Advanced Ballistic Missile Interceptor (SM-3 Block IIA) to be deployed on destroyers with Aegis system.



*Advanced BMD Interceptor Missile (SM-3 Block IIA)*

- Recertification of PAC-3 missiles (¥11.5 billion)  
Replace parts close to the end of their service life (seeker parts) and inspect the entire missiles to secure required PAC-3 missiles.
- Development of infrastructure for PAC-3 units deployment to Ichigaya Base (¥3.0 billion)  
Based on the past examples of PAC-3 units deployment, continue the infrastructure development for their deployment at Ichigaya Base.



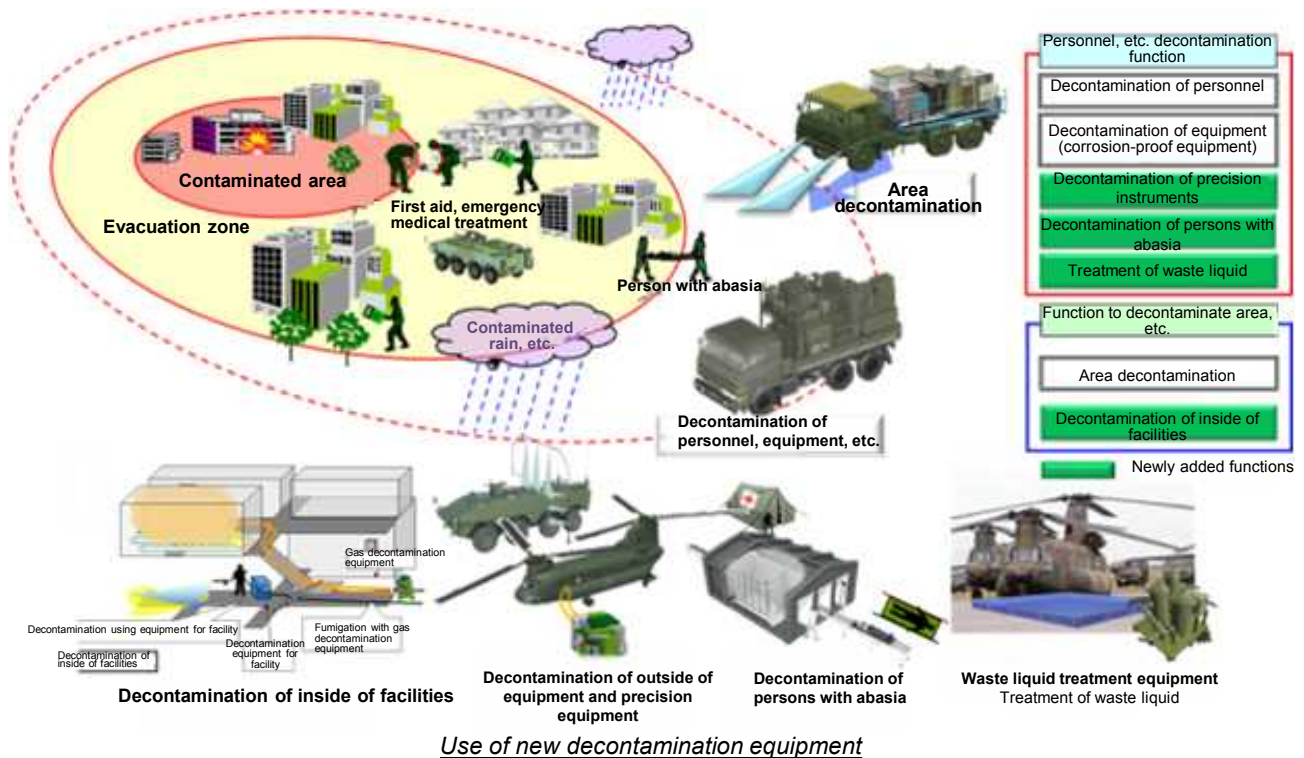
*PAC-3 deployed at MOD (Ichigaya Base)*

## ② Respond to guerilla/special force attacks

### ○ Response to possible attacks with NBC weapons

- Acquisition of new decontamination equipment (3 sets: ¥0.2 billion)

Strengthen various decontamination capabilities to ensure prompt response to contamination of a large number of personnel, equipment, etc. caused by NBC attacks in order to prevent the spread of contamination and minimize secondary contamination, etc.



- Acquisition of chemical agent detector (improved) (17 sets: ¥60 million)

### ○ Acquisition of personal equipment

- Acquisition of Type-89 rifles (4,217 units: ¥1.1 billion)
- Acquisition of armor glass (120 sets: ¥0.1 billion)

### ○ Collaborative development of new utility helicopter (¥1.0 billion)

- Develop a new utility helicopter for aerial mobility in various situations and search & rescue missions during large-scale disasters, etc., to succeed the existing aircraft (UH-1J)
- To improve the efficiency of the development process, conduct the program in parallel with collaborative development of civil aircraft by domestic and foreign companies.



New utility helicopter  
(Current UH-1J)

## (4) Respond in outer space

**Strengthen information gathering, command, control and communication capabilities by using satellites, and implement measures to secure stable use of outer space.**

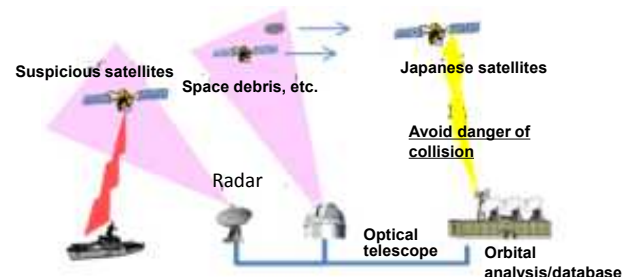
Space-related budget: ¥34.0 billion

### Space programs

\*Not including the budget of ballistic missile defense (space-related programs)

- Research for the enhancement of C4ISR functions through the use of outer space (¥5.0 billion)
  - Preparation support for the development of successor to the X-Band communication satellite (Superbird C2) (¥0.1 billion)
  - Study on protection of satellite communication system from jamming (¥30 million)
  - Study on the specification of capabilities of Space Surveillance system (¥50 million)

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



*Space Surveillance System (Concept Image)*

- Use of satellite communication (¥21.4 billion)
- Use of commercial imagery satellites (¥7.6 billion)
- Use of meteorological satellite information (¥10 million)
- Send personnel to the U.S. Air Force Space Operations Course (¥9 million)

### Promotion of cooperation with JAXA

Promote effective space development and use in cooperation with Japan Aerospace Exploration Agency (JAXA), the core organization that provides technical support for the entire governmental development and utilization of space projects.

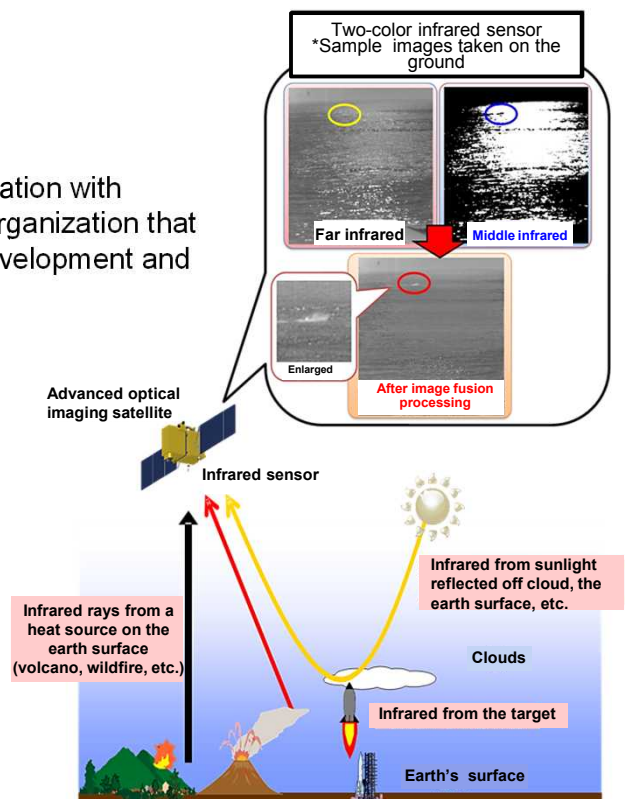
- Demonstration of two-color infrared sensor in space (¥4.8 billion)
 

(included in "Research for the enhancement of C4ISR functions through the use of outer space resources" above)

Demonstration in space of MOD's two-color infrared sensor, which has enhanced detection/identification capabilities through use of two wavelength ranges of middle and far infrared, as hosted payload on MEXT/JAXA's advanced optical imaging satellite.
- Use of imagery of ALOS-2 (¥0.2 billion)
 

(included in "Use of commercial imagery satellites" above)

Use imagery of JAXA's Advanced Land Observing Satellite -2 "DAICHI-2" (ALOS-2)



*Demonstration of two-color infrared sensor in space (concept image)*

\*Budget of ballistic missile defense space-related programs \*(¥207.3 billion)



## (5) Respond in cyber space

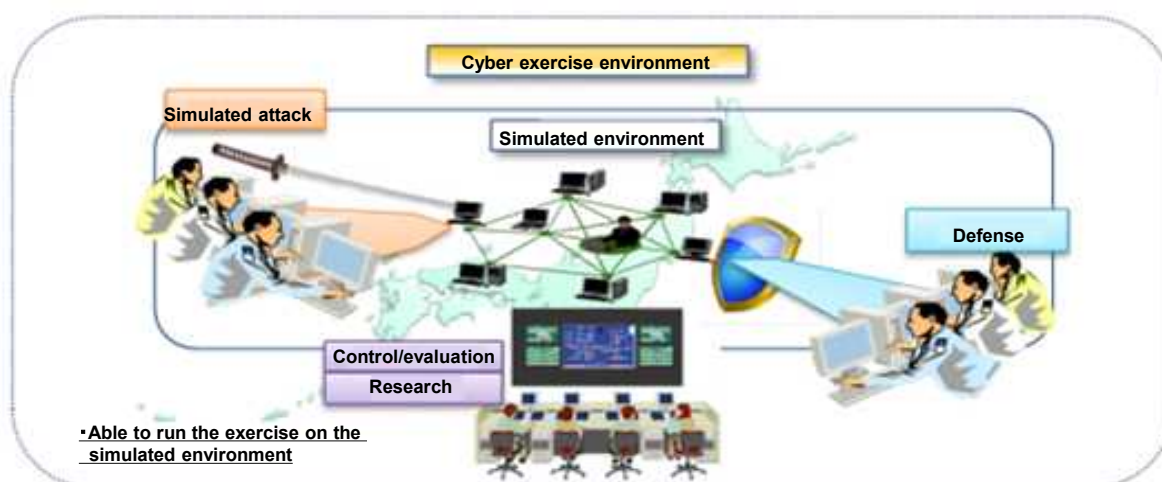
In order to secure sufficient cyber security against cyber attacks, develop necessary structures including a practical exercise environment enabling validation of capabilities to address cyber attacks. In addition, enhance cooperation with the private sector to understand the latest risks, countermeasures, and technical trends.

Cyber-related budget: ¥9.1 billion

### ① Establishment of a practical cyber exercise environment

Implement various measures listed below in order to develop a cyber exercise environment required:

- Enhancement of the function of the cyber exercise environment (cyber range) (¥0.7 billion)
- Research cooperation on building cyber range with the National Institute of Information and Communications Technology (NICT)
- Research and study for the capability to prevent the use of cyberspace for the establishment of simulated attack functions to enhance effectiveness of defense (¥10 million)
- Efforts toward introduction of “serious games” as practical learning materials/education programs (¥20 million)



*Overall conceptual picture of cyber practice environment*

### ② Improvement/enhancement of operational infrastructure

- Maintenance of network monitoring devices (¥3.0 billion)  
Maintain monitoring devices installed at each base of the Defense Information Infrastructure (DII)

### ③ Enhancement of partnership with the private sector

- Implementation of joint training with the Cyber Defense Council (CDC) (¥20 million)  
Implement joint training toward enhancement of partnership with the defense industry
- Enhancement of partnership with government agencies  
Strengthen the partnership with government agencies through dispatch of personnel to the Cyber Incident Mobile Assistance Team (CYMAT) led by the National center of Incident readiness and Strategy for Cybersecurity (NISC), and active participation in various training sessions.



*Government's training to address cyber attacks*

## (6) Respond to large-scale disasters, etc.

**Swiftly transport and deploy sufficient number of units in the event of various disasters, and develop structures to respond that are sustainable for a long period, through establishing a rotating staffing structure based on joint operations.**

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

- Development of a maritime operation center (new building for Self Defense Fleet HQ, etc.) (repost)
- Development of a SDF deployment facilities (Fukui and Nara) (¥8 million)  
Allocate expenses for a basic concept study to secure SDF deployment facilities to serve as wide-area disaster response hubs and establish effective system to handle large-scale disasters.
- Development of a disaster response hub in Miho Base (¥0.6 billion)  
Allocate site survey expenses, etc. in order to enhance capabilities to respond to large-scale disasters in the long coastal area, etc. on the Sea of Japan side.
- Promotion of seismic retrofitting, etc. to maintain and enhance functions in a time of disaster (¥23.2 billion)
- Development of alternative capabilities for the Ichigaya building when affected by disasters (¥0.1 billion)  
In preparation earthquakes directly below the capital, expand the information infrastructure of Camp Asaka to use the camp as an alternate facility

### ② Implement exercises, etc. to respond to large-scale and unconventional disasters

- Joint disaster drills on remote islands (RIDEX)  
Implement drills to maintain and enhance capabilities to ensure smooth joint disaster response operations against sudden disasters such as typhoons on remote islands
- Joint Disaster Response Exercise with U.S. Forces (TREX)  
Implement Joint Disaster Response Exercise with U.S. Forces to establish cooperation with USFJ to respond to large-scale disasters at home, maintain and enhance capability to respond to earthquake disasters
- SDF Joint Disaster Prevention Exercise (JXR)  
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 through smooth and effective response.
- Various disaster response drills



*Joint disaster drills on remote islands*



*Patient transportation drill using Hyuga*



*Cooperation at a local coordination center (prefectural office)*



### ③ Acquisition, etc. of equipment contributing to disaster response

- Acquisition of tilt-rotor aircraft (V-22) (repost)
- Acquisition of amphibious vehicles (AAV7) (repost)
- Upgrading of Osumi-class LST (repost)
- Conduct overseas studies on multipurpose vessels with capabilities for command and control, large-scale transportation, and aircraft operations which can be utilized in amphibious operations, etc.(repost)
- Acquisition of rescue helicopter (UH-60J) (repost)
- Collaborative development of new utility helicopter (repost)
- Acquisition of Field Medical Surgery System  
(1 set: ¥0.2 billion)



*Field Medical Surgery System*

- Acquisition of double-arm working machines  
(2 units: ¥60 million)  
Introduce double-arm working machines capable of flexibly handling life saving and obstacle removal operations, etc., and examine their capabilities to respond to large-scale disasters, etc.



*Double-arm working machine (image)*

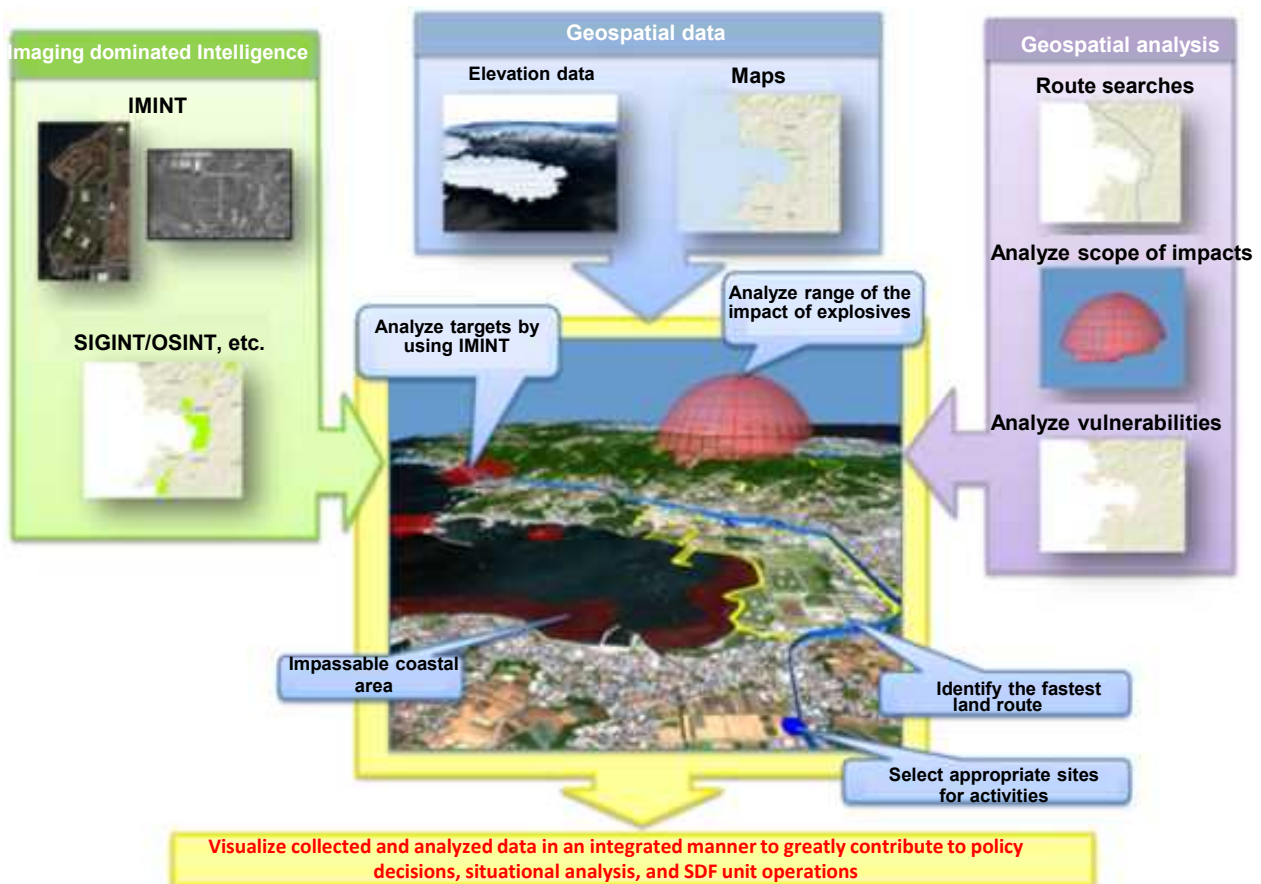
#### Enhancement of capabilities to respond to Nuclear, Biological and Chemical (NBC) weapons

- Detection/identification of contaminated substances
  - Acquire various types of dose-rate meters (4 sets: ¥10 million)
  - Acquire NBC Alarms (1 set: ¥0.2 billion)
- Protection from contaminated substances
  - Acquire personnel protection equipment (6,200 sets: ¥1.2 billion)
  - Acquire chemical protective apparel (534 sets: ¥80 million)
- Decontamination of contaminated substances  
Acquire new decontamination equipment (repost)

## (7) Strengthen intelligence capabilities

Strengthen the MOD's system for intelligence collection, processing information, and analyzing and sharing the collected information, so that the MOD can promptly detect and swiftly respond to warnings of various situations and take necessary measures based on medium-to-long-term military trends mainly in its vicinity

- Enhancement of HUMINT capabilities  
Establish research section for future SDF HUMINT capabilities at the Defense Intelligence Headquarters.
- Enhancement of research capabilities pertaining to collection of public information through big data analysis (¥5 million)  
Develop a system necessary to implement research and study pertaining to collection of public information through big data related technologies at the Defense Intelligence Headquarters.
- Research and study toward realization of “Integrated Geospatial Data Infrastructure” (¥0.1 billion)  
Research and study on efficient and effective data sharing and integration for advanced use of GEOINT to be developed at GSDF, MSDF, ASDF and the Defense Intelligence Headquarters.



*Conceptual image of geospatial information*

- Acquisition of part of the Unmanned Aerial Vehicle (Global Hawk) system (repost)
- Enhancement of Defense Attaché network
  - Enhancement of trainings for Defense Attaché candidates
  - Increase the number of Defense Attachés, etc. (Ukraine, Poland and Australia)



## 2 Stabilization of the Asia-Pacific Region and improvement of global security environment

In order to ensure the stability of the Asia-Pacific region, Japan will enhance bilateral and multilateral cooperative relationships and conduct various activities including training and exercises in a timely and appropriate manner, as well as actively engage in international peace cooperation activities to properly address global security challenges.

### (1) Respond to stabilization of the Asia-Pacific Region

- Promoting capacity building assistance to militaries mainly in Southeast Asian countries
  - Support human resource development and capacity enhancement in the field of security such as humanitarian assistance and disaster relief for militaries 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.-Australia and Japan-U.S.-ROK defense cooperation
- Promotion of defense exchange and cooperation with China and Russia, including beginning the operation of the maritime communication mechanism
- Initiatives under the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus)
  - Actively enhance regional defense and security cooperation through ADMM-Plus, which is the only official meeting of its kind in the Asia-Pacific.
- Participating in Pacific Partnership (PP) 2015
  - Visit countries in the Asia-Pacific region to provide medical services, and hold intercultural events. Through cooperation with governments, militaries, international organizations, and NGOs, the PP strengthens partnerships among participating countries and facilitates international disaster relief operations.
- International Peace Cooperation Military and Civil Study Group
  - Research and education institutions, NGOs, UN and international organizations, and SDF are to convene to share information and exchange opinions on international peace cooperation activities, etc.



4<sup>th</sup> ADMM-Plus Humanitarian Assistance/Disaster Relief (HADR) Experts' Working Group meeting



Pacific Partnership



**(2) Appropriately respond to improve global security environments****Enhancement of capability to conduct overseas activities**

- Implementation of transport of Japanese nationals overseas, etc. exercises  
In light of the situation in the Middle East and Africa in recent years, implement integrated exercises to enhance integrated operation capability to transport overseas Japanese, etc.
- Participation in multilateral exercises  
Multilateral exercises, such as Cobra Gold and Khan Quest, related to UN peacekeeping activities
- Co-host a UN PKO Training of Trainers (ToT) course  
The Course is being co-sponsored by Japan and the United Nations. Most of the students are instructors of regional PKO center
  - Showing Japan's proactive efforts for PKO, and contribute to capability improvement of PKO personnel, including those of foreign countries
  - Promoting capacity building of Japanese personnel participating in PKO activities, etc. by enhancing the teaching capability of the instructors of JPC (Japan Peacekeeping Center) Joint Staff College, through participation of trainers in the program
- Sending instructors to the PKO Centers in Africa  
SDF sends personnel as instructors in order to educate PKO personnel of African countries to improve their own peacekeeping capabilities and to maintain the stability of the region.
- Promoting the role of female personnel in international cooperation  
Secure personnel related to the dispatch of female SDF personnel to NATO Headquarters
- Dispatch SDF facilities unit, etc., to South Sudan PKO  
Implement international peace cooperation activities such as infrastructure maintenance, etc., of roads, etc.



Transport of Japanese nationals overseas, etc. exercises

**Ensuring maritime security**

- Counter-piracy operations off the coast of Somalia and in the Gulf of Aden
  - Continue counter-piracy operations by destroyers and P-3Cs off the coast of Somalia and in the Gulf of Aden.
  - Air transport support using C-130H and KC-767
  - Carry out activities in Combined Task Force 151, multi-national counter-piracy task force
- Study of utilization of the facility in Djibouti (¥30 million)  
In terms of efficient implementation of international peace cooperation activities, etc., conduct research and study on how overseas facility of other countries are maintained in order to contribute to the analysis of future utilization of our base at Djibouti that is currently used for counter-piracy operations.



Talk between CTF151 commander at the time (center on the left side) and the commander of Deployed Maritime Force for Counter-Piracy Operations



Appearance of the HQ building



Appearance of hangar

### 3 Strengthening the Japan-U.S. alliance

While maintaining the deterrence of U.S. Forces, Japan will steadily implement specific measures including the realignment of the U.S. forces in Japan to mitigate the impact on local communities, including those in Okinawa

#### (1) Measures for reducing the impact on local communities

¥307.8 billion

##### Relocation of U.S. Marine Corps stationed in Okinawa to Guam

- Funding for projects necessary for the relocation of U.S. Marine Corps from Okinawa to Guam, etc. (¥1.7 billion)
- Design cost of training facilities in the Commonwealth of the Northern Mariana Islands (Tinian Island) (¥1.2 billion)



Relocation of U.S. Marine Corps stationed in Okinawa to Guam

##### Realignment of U.S. forces Japan (¥306.1 billion)

- Relocation of MCAS Futenma (¥173.6 billion)
- Return of lands south of Kadena Air Base (¥8.9 billion)
- Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni, etc. (MCAS Iwakuni, Field Carrier Landing Practice (FCLP) facility, etc.) (¥102.1 billion)
- Relocation of training for U.S. aircraft to mainland Japan and Guam from Kadena Air Base and other airfields. (¥5.2 billion)
- Community development measures (realignment grants, etc.) (¥16.3 billion)



MCAS Futenma

#### (2) SACO-related cost

¥4.9 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.



## 4 Measures concerning personnel and education

In order to secure superior human resources (ex. SDF personnel, SDF reserve personnel) in charge of national defense while enhancing their strength, Japan will implement a comprehensive plan for recruitment, reemployment of SDF personnel, securing of SDF reserve personnel and other necessary measures, as well as promotion of measures to support further engagement of female personnel.

### (1) Promote measures to secure superior human resources in charge of national defense

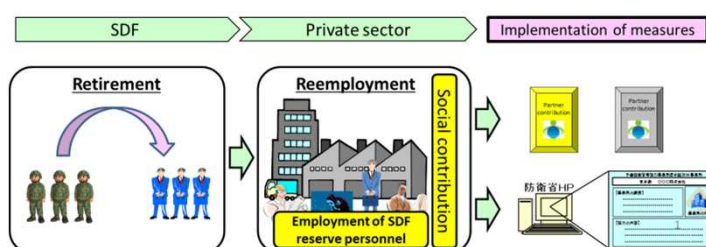
- ① Enhancement of recruitment programs  
Improvement/enhancement of recruitment functions and the foundation enabling stable recruitment activities (¥0.2 billion)
  - Communicate information properly and improve and enhance public relations for recruitment in response to changing times
  - Review of the aptitude tests  
Review the aptitude tests issues of SDF candidates and implement more effective tests suitable for today's candidates.
  - Enhancement of loan students  
Increase the number of loan students in the technical field in order to strengthen the field of SDF.

- ② Enhancement of reemployment support programs  
Improvement/enhancement of job training for SDF personnel planning to retire (¥50 million)
  - Expansion of job training related to the construction industry
  - Expansion of disaster/crisis control education programs



*Disaster/crisis control education (practice)*

- ③ Securing SDF reserve personnel and enhancement of the system (¥40 million)
  - Introduce a SDF reserve personnel partner business indication program (Provisional name)  
Employ SDF reserve personnel, etc., certify partner business that strive to create environments allowing for the reserve personnel to easily appear to training, and issue indication certificates.



*SDF reserve personnel partner business indication program (Provisional name)*

- Improve clothing and accouterments
- Introduce SDF reserve candidates in MSDF with utilization of private marine transport capacity in mind

#### 4 Measures concerning personnel and education

##### (2) Promote measures to support further engagement of female personnel

Further expand recruitment and promotion of female personnel while improving their working environment including support for their balancing of work and family, and working to eliminate the conventional mindset about gender roles in the workplace. Promote inclusion of more female SDF personnel in disaster relief operations and international peace cooperation activities, etc.



*Active female SDF personnel*



##### ① Support the balancing of work and family

- Establishment/improvement of day-care facilities on SDF premises (¥0.1 billion)  
Develop day-care facilities on premises suitable for special work shifts of SDF so that personnel raising children can engage in their duties with ease without concern.
  - Newly establish day-care facilities, etc. (Ichigaya district and ASDF Iruma Air Base)
  - Provide furniture, fixture and supplies to existing day-care facilities in SDF buildings



*Mishuku Kids Garden  
(JGSDF Camp Misyuku)*



*Konohana day-care center (MSDF Yokosuka)*

- Provision of furniture/fixture for emergency call support (looking after children) (¥30 million)
  - Provide furniture/fixture such as safety mats and baby beds to support emergency call (50 sites)
  - Implement emergency call support drills



*A scene of emergency office  
attendance support drill*



*GSDF personnel looking after  
children*

- Creation and distribution of “Child Care Support Handbook” (revised edition)



## ② Improvement of the working environment for female SDF personnel

- Building facilities for female SDF personnel (¥0.6 billion)
  - Build huts in the exercise fields used as hub in a time of disaster (GSDF Camps Shibata and Narashino)
  - Refurbish the bathing facility for women in GSDF Officer Candidate School
  - Develop spaces for women (night duty room, nap room, etc.) (ASDF)
  - Design and build barracks for women (ASDF Ashiya Air Base)

Maternity dress

- Provision of a maternity dress as SDF uniform (¥4 million)
- Invite counselors from outside for female SDF personnel (¥6 million)  
Enhance the morale of female SDF personnel and increase their participation opportunities through counseling about problems specific to women, such as giving birth, child-rearing, etc., considering the nature of SDF duties

Counseling (image)

## ③ Expansion of training, etc. for enlightenment of awareness (¥20 million)

Contribute to eliminating conventional mindset about gender roles in the workplace.

Group trainingGroup trainingExchanging opinions④ Promotion of female personnel engagement in international cooperation (repost)  
Secure personnel related to the dispatch of female SDF personnel to NATO Headquarters

## ⑤ Other (¥70 million)

- Life plan seminar for early retired personnel and fixed term personnel (female SDF personnel)
- Conduct studies related to female personnel in foreign countries in order to help consideration of utilization of female SDF personnel
- Promotion of measures to prevent sexual harassment

## (3) Personnel management system reform

Given that equipment has become more advanced and complex, and missions more diverse and internationalized in recent years, the SDF will implement measures to reform the personnel management system, in order to ensure the power of its troops and the effective use of human resources amid a severe fiscal situation, taking into consideration a variety of elements, including skills, experience, physical strength and morale.

## 5 Streamlining Initiatives

Various initiatives will be promoted to further rationalize and streamline the overall equipment acquisition, seeking to save approx. ¥153.0 billion in FY2015 and thereafter.

### (1) Introduce long-term contract for the procurement of equipment, etc.

**[Expected saving: approx. ¥41.7 billion]**

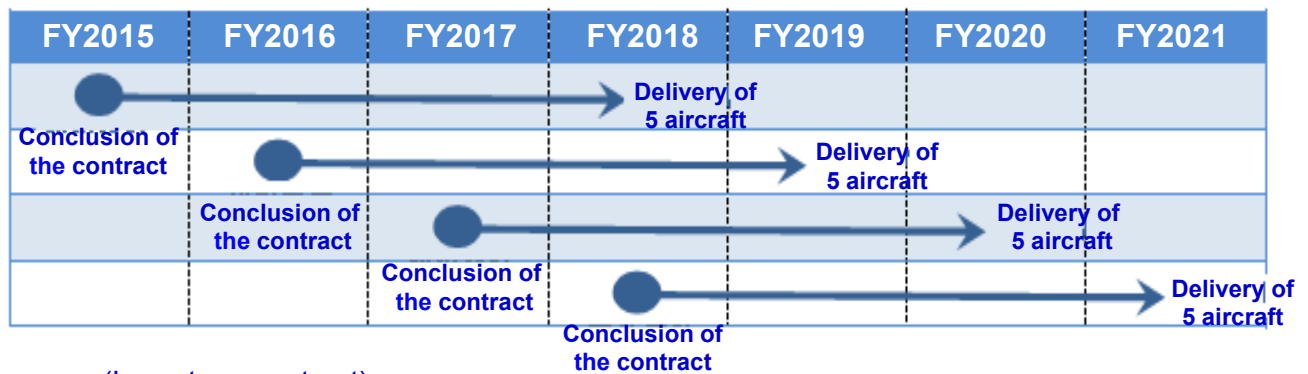
- Bulk procurement of fixed-wing patrol aircraft P-1 based on a long-term contract (Procurement of 20 P-1: expected savings are approx. ¥41.7 billion or 10.9%)  
Bulk procurement of 20 fixed-wing patrol aircraft (P-1) in FY2015
- \* Requires legislation to allow long-term contracts over 5 years as the Public Finance Law limits contracts resulting in treasury obligation debt to 5 years.



*Fixed-wing patrol aircraft P-1*

Reduce the procurement cost by taking advantage of the scale merit, while also securing the procurement of 20 P-1 aircraft necessary for defense requirements by the implementation .

[Bulk procurement based on a long-term contract over 5 years]  
(Conventional contract)

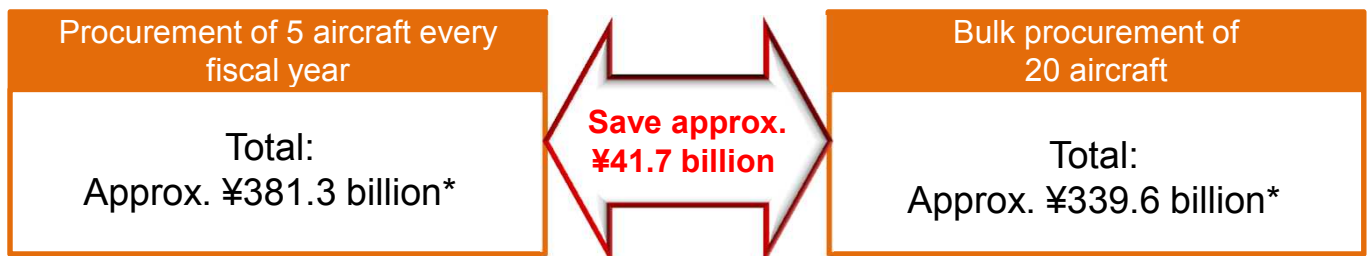


(Long-term contract)



[Cost saving effect in comparison to conventional contracts]

(comparison with procurement of 5 P-1 aircraft every fiscal year from 2015 to 2018)



⇒ Save approx. ¥41.7 billion through a long-term contract over 5 years

\* The above total is the cost required for items subject to bulk procurement through a long-term contract. In the FY 2015 budget, including the cost for equipment which is procured not through a long-term contract, a total of ¥ 350.4 billion is allocated for the procurement of P-1.



**(2) Review maintenance methods [Expected savings : approx. ¥33.6 billion]**

Streamline maintenance costs by extending periodic maintenance intervals

[Examples]

- Introduction of PBL(Performance Based Logistics) in order to improve operational availability and ensure timely and adequate parts supply posture, etc.  
MSDF minesweeping/transport helicopter (MCH-101)  
(Expected savings in 3 fiscal years: ¥1.5 billion)
- Extension of maintenance intervals of aircraft (patrol aircraft P-3C)  
Extension of maintenance intervals from 48 to 60 months  
(Expected saving in 5 fiscal years: ¥2.3 billion)

\*Other 30 initiatives to review maintenance methods



*Minesweeping/transport helicopter (MCH-101)*



*Fixed-wing patrol aircraft (P-3C)*

**(3) Bulk purchase of equipment [Expected saving : approx. ¥35.0 billion]**

Streamline budget costs by reviewing equipment with high prices due to small-amount purchase and long term maintenance and by concentrating its budget requests for them in a single year if cost saving can be expected.

[Examples]

- Bulk purchase of Aegis system  
For two ships: ¥171.1billion → ¥160.2 billion  
(Expected saving: ¥10.9 billion)
- Bulk purchase of ammunition for aircraft (AAM-4B)  
For three years: ¥19.0 billion → ¥16.2 billion  
(Expected saving: ¥2.9 billion)

\*Bulk purchases of other equipment: 22 cases



*MSDF Atago-class destroyer (picture: destroyer "Atago")*



*AAM-4B*

**(4) Using civilian goods and reviewing specifications [Expected saving: approx. ¥42.3 billion]**

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

[Examples]

- Use civilian goods for the modernization of the combat direction command system of Asagiri-class destroyers  
(Expected saving: ¥2.9 billion)
- Streamlining through consolidation, etc. of system-related equipment  
(Expected saving: ¥1.4 billion)



*"Asagiri" type destroyer (picture: destroyer "Asagiri")*



*System-related equipment*

\* Other initiatives to use civilian goods and review specifications: 63 cases

## 6 MOD Reform

Implement organizational reform including the establishment of Acquisition, Technology & Logistics Agency (provisional name) and strengthening of Joint Staff Office, in accordance with the “Direction of the MOD Reform” (formulated and published on August 30, 2013)

### FY2015 budget programs related to the MOD reform

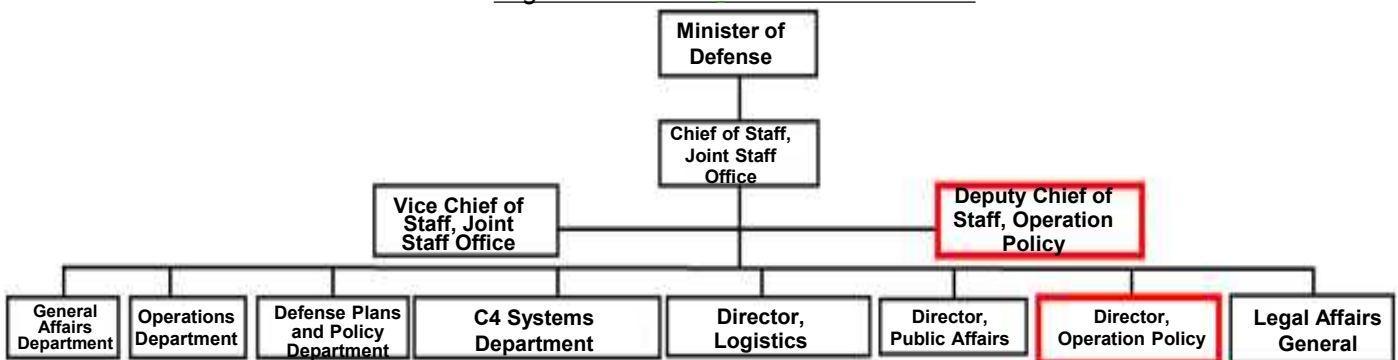
#### ① Mutual assignment of civilian officials and SDF personnel

- Establishment of high-ranked civilian officials posts in the Joint Staff Office accompanying the integration of duties related to actual unit operations (to be described)
- Establishment of high-ranked SDF personnel posts in the Internal Bureau (1 colonel/captain posts)

#### ② Enhancing joint operation function

- Integration of duties related to actual unit operations into the Joint Staff Office
  - Integrate duties related to actual unit operations into the Joint Staff Office, and disband the Bureau of Operational Policy (planning of laws concerning operation is to be administered by the Operation Legislation Division (provisional name,) Bureau of Defense Policy)
  - Establish civilian posts of Deputy Chief of Staff, Operation Policy (provisional name), at the Vice Chief of staff level, to handle accountability and assist the Chief of Staff, Joint Office from a policy perspective, and the Director, Operation Policy (provisional name) at the director level

#### Organization of the new Joint Staff Office

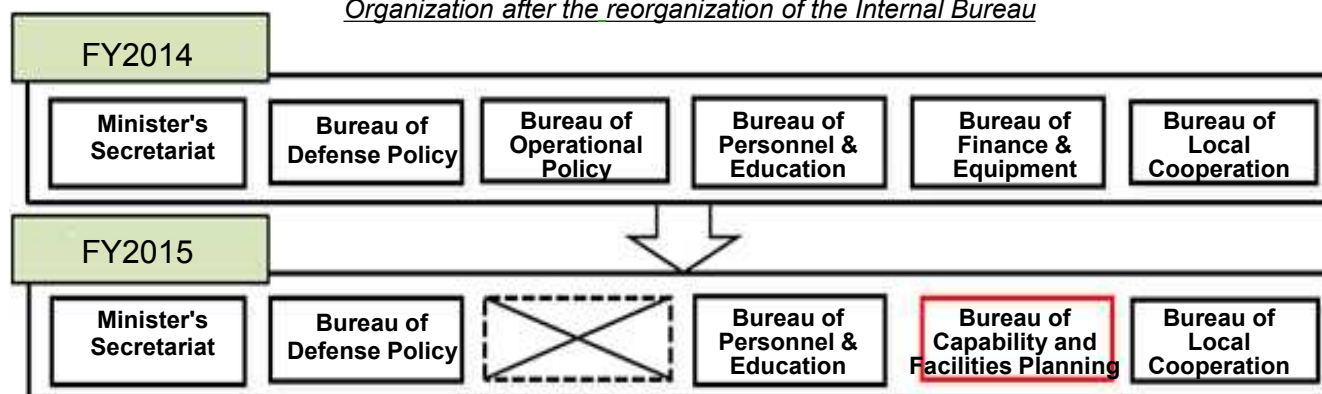


#### ③ Reorganizing the Internal Bureau

- With the establishment of the Acquisition, Technology & Logistics Agency (provisional name) and integration of actual operations into the Joint Staff Office, reorganize the Internal Bureau in order to strengthen policy planning and defense capabilities build-up functions.
  - Reorganization accompanying the establishment of the Acquisition, Technology & Logistics (provisional name)
    - ☐ Transfer the procurement/research and development functions from the Bureau of Finance & Equipment to the Acquisition, Technology & Logistics Agency (provisional name)
  - Reorganization accompanying integration of actual operations into the Joint Staff Office
    - ☐ Disband the Bureau of Operational Policy
    - ☐ Transfer the functions of planning, of laws concerning operation, training for units, etc. to the Bureau of Defense Policy
  - Reorganization accompanying the enhancement of policy planning functions
    - ☐ Set up the Strategy Planning Division (provisional name) to strengthen planning functions concerning medium- to long-term defense strategies and new policy issues including outer and cyber spaces, as well as to facilitate cooperation with other countries including strategy talks concerning such issues
  - Set up the Bureau of Capability and Facilities Planning (provisional name) to enhance defense capabilities build-up functions
    - ☐ Transfer the Planning & Programming Division, Bureau of Defense Policy, which possesses defense capabilities build-up functions, to the Bureau of Capability and Facilities Planning (provisional name)
    - ☐ Consolidate the information communication improvement functions of the Information and Communication, Follow-up Research Division, Bureau of Operational Policy, to the Bureau of Capability and Facilities Planning (provisional name)
    - ☐ Consolidate a part of the Bureau of Finance & Equipment and Equipment Procurement and Construction Office, which possess facilities development functions, to the Bureau of Capability and Facilities Planning (provisional name)



*Organization after the reorganization of the Internal Bureau*



**④ Enhancing communication functions**

- Establish the post of Counselor, Minister's Secretariat (in charge of the press) to enhance public relations functions of the Internal Bureau

**⑤ Establishing Acquisition, Technology & Logistics Agency (provisional name)**

Establish Acquisition, Technology & Logistics Agency (provisional name) as an external bureau consolidating MOD's equipment procurement-related divisions involved in procurement, research and development, etc. (Internal Bureau, Staff Offices, Technical Research and Development Institute and Equipment Procurement and Construction Office.) In addition, strengthen monitoring function within the MOD and the agency.

Along with the establishment, reorganize the departments involved in equipment procurement duties in Staff Offices to Logistics Planning Department (provisional name)

- Major functions of the Acquisition, Technology & Logistics Agency (provisional name)
  - Integrated management throughout the entire life cycle of major equipment (project management function)
  - Technology management, international joint development/production, diversion to civil purpose, etc. accompanying the increase in overseas transfer of equipment (equipment cooperation/weapon technology management function)
  - Research and development that adequately reflect operational needs of SDF, analysis of technical trends, and financial assistance, etc., to organizations conducting development of advanced technologies (research and development function)
  - Streamlining, etc. of procurement duties through study, etc. of contract systems more suitable to the current state (procurement function of equipment, etc.)

*Organization of the Acquisition, Technology & Logistics Agency*



## 7 Others

### (1) Restructuring

**Implementation of unit reorganization programs in order to conduct effective deterrence and response to various situation.**

- Establishment of the 303<sup>rd</sup> Coastal Observation Unit (provisional name) (repost) (GSDF)
- Reorganization of the Oceanographic Command  
In order to enhance functions necessary for effective execution of various operations including persistent information gathering / ISR and anti-submarine operations, reorganize “Oceanographic Command” to the “Oceanographic and Anti-submarine Operation Support Command” (Provisional name) (MSDF)
- Establishment of the 9<sup>th</sup> Air Wing (provisional name) (repost) (ASDF)
- Request for increasing the number of SDF personnel
  - Increase the number of SDF personnel to upgrade and strengthen capabilities to carry out surveillance and to take effective actions in the southwestern region and improving the ability to quickly respond to various situations

	GSDf	MSDF	ASDF	Total	Note
Request for increasing the number of personnel	+91	+67	+72	+230	The “△70” in the GSDF column indicates a change of status from SDF personnel to nursing students.
	△70	—	—	△70	

\* Excluding the change in number due to the change in quota of SDF personnel



## (2) Promoting base measures

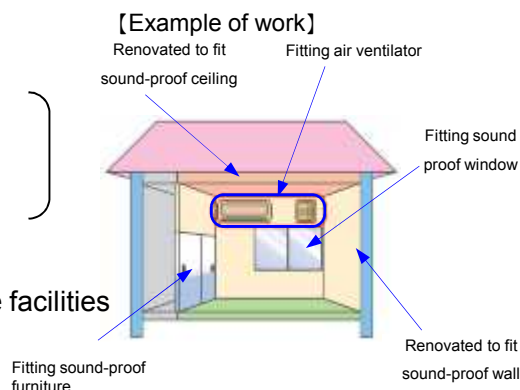
**Japan will steadily implement measures to achieve harmony between defense facilities and the neighboring communities, as well as measures to facilitate the smooth and effective stationing of U.S. forces in Japan**

### ① Expenses related to programs for communities near bases

¥119.5billion

Including: Residential sound insulation: ¥39.8 billion  
Improvement of living environment of neighboring communities: ¥79.7 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, improvement of public welfare facilities, etc.)
  - Implementation of projects covered by specified defense facilities environment improvement adjustment grants, with strong requests from municipalities around bases (development of public facilities and so-called soft projects, such as medical cost subsidies, etc.)



River restoration

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

¥191.2 billion

Including: Special Measures Agreement: ¥141.6 billion  
Facilities improvement: ¥23.3 billion  
USFJ employees measures, etc.: ¥26.2 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 of USFJ employees and cost of utilities used at USFJ facilities
  - 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.

¥138.2 billion

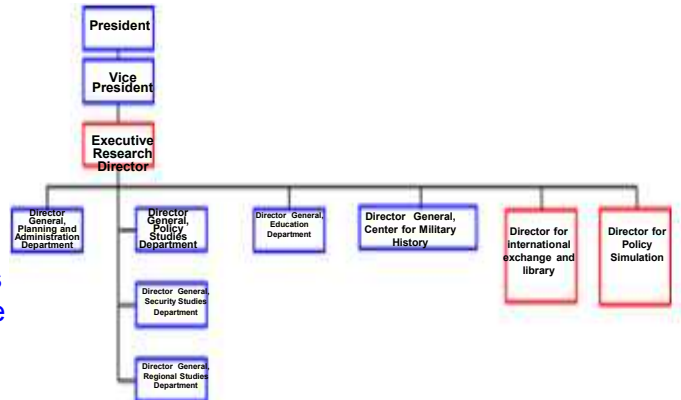
- Rental cost of defense facility land, etc., compensation for the loss of fishermen's income due to training on water areas, etc.

### (3) Strengthen education and research systems

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 and develop an environment enabling personnel to be devoted to their duties.

#### ① The National Institute for Defense Studies

- Strengthen coordination between policy planning branches
  - Establish the Executive Research Director (provisional name) to collectively organize research projects within the institute
  - Establish the Director for Policy Simulation (provisional name) to engage in policy simulations
  - Conduct overseas research in the U.S. to enhance policy simulation functions



*Organization of The National Institute for Defense Studies*

- Enhance international research exchanges
  - Establish the Director for International Exchange and Library (provisional name) to promote research exchanges with research institutions abroad
  - Research exchanges with the NATO Defense College
  - Overseas research in Australia
  - Research exchange with Royal United Services Institute (RUSI)
  - 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.

#### ② National Defense Academy

- Strengthening and enriching of foundation of international exchange programs
  - Establish the International Exchange Center (provisional name) to strengthen the foundation of international exchange programs at the academy, including enriching the education of international students and the programs for students to study abroad at foreign military academies
- Development of education and research system
  - Establish the Liberal Art Education Center (provisional name) to strengthen the foundation of liberal arts and common education of the academy, including improving lesson contents and methods of faculty members
  - Increase the teaching staff to further develop the education system of the academy



*Exchange with international students*



*Research (image)*

#### ③ National Defense Medical College, etc.

- Strengthen the functions of the college by establishing it as a hub for education and research in the field of military medicine (¥0.3 billion)
  - Implement advanced research in various fields of study of the college.
- Improvement/enhancement of clinical systems
  - Increase the number of nurses in order to improve utilization of the college hospital's Emergency Department



#### (4) Strengthen health functions

- Initiatives toward upgrading SDF hospitals to hubs with enhanced functions  
Steadily promote development of core hospital in each district and hospitals with special functions including education of international activities, submarine and aviation medicine.
  - Consider such matters as rebuilding a core hospital (Fukuoka Hospital) located in the Kyushu district (¥20 million)
  - Consider such matters as establishing a new hospital adjacent to Base Iruma (¥0.1 billion)
- Improve frontline first aid capabilities on situation responses  
Consider such matters as emergency medical treatment on situation responses (¥2 million)
  - Survey frontline first aid capabilities and necessary education and training, etc., in foreign military forces
  - Expenses for setting up an expert committee

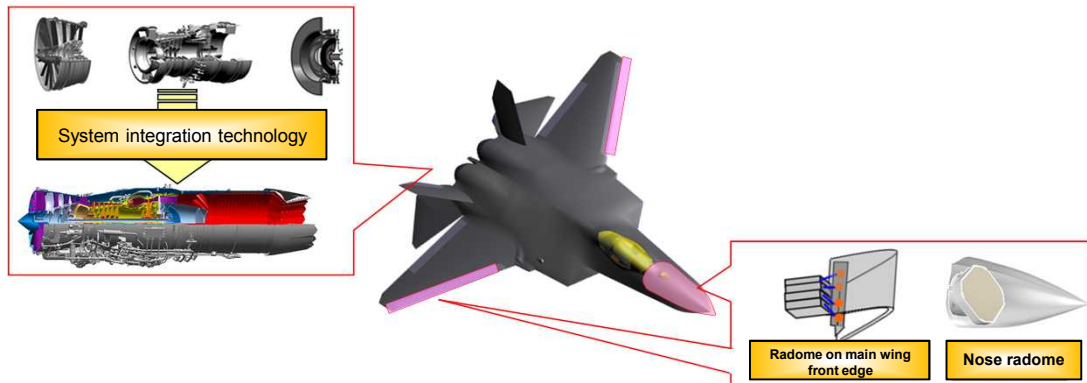


*Frontline first aid activities*

- Initiative contributing to smooth activities of SDF in the southwestern region  
Survey of medical system, etc. in main island of Okinawa (¥5 million)

## (5) Promote technological research and development

- Project related to next-generation fighter aircraft (¥34.2 billion)  
Implement empirical research to accumulate and enhance fighter aircraft-related technologies in Japan to keep an option for the development of next-generation fighter aircraft including the possibility of international joint development of an aircraft to replace the F-2 when it is time to retire it.



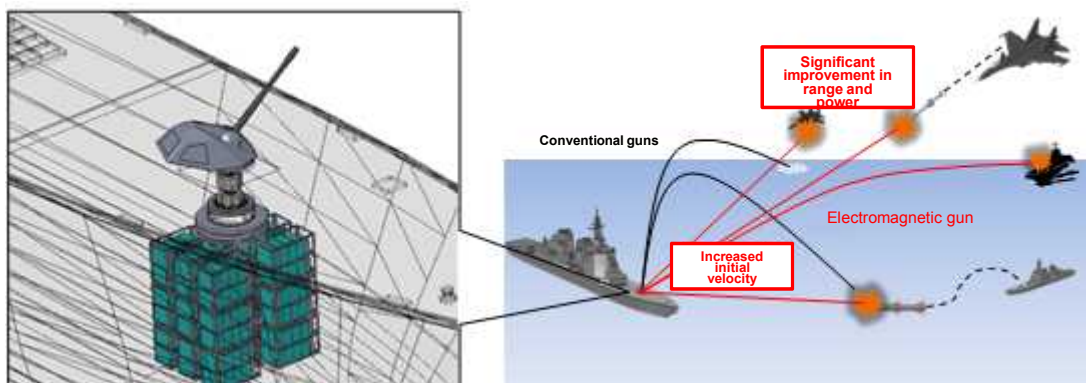
*Project related to next-generation fighter aircraft*

- Research on technologies of warhead for guided missiles against large vessels and threats to remote islands (¥1.5 billion)  
Implement research on warheads that penetrate decks of large vessels such as carriers, and explode and destroy the vessels by the blast effect from inside, as well as warheads with high penetration capabilities covering wide area against ground targets on remote islands.



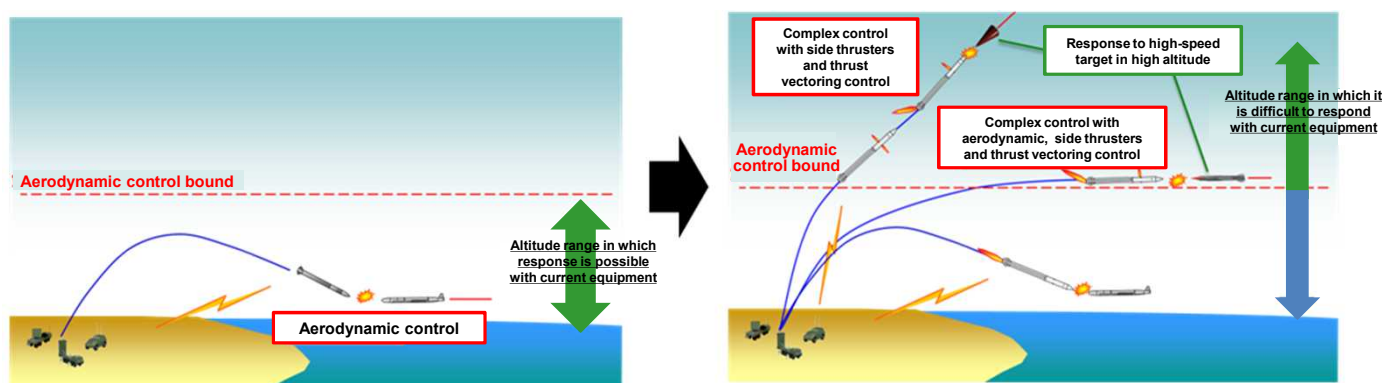
*Research on technologies of warhead for guided missile against large vessels and threats to remote islands*

- Research on basic technologies of railgun carried aboard on ships  
Promote study concerning technical feasibility based on surveys toward implementation of research on railgun that can become innovative equipment promising significant improvement in range and power compared with conventional guns by increasing the initial velocity of bullets.



*Research on basic technologies of railgun carried aboard on ships*

- Research on technology of missiles to respond to high-speed threats at high altitudes (¥0.8 billion)  
Implement research on technologies of missiles to cope with ballistic missiles and high-speed cruise missiles at high altitudes that are difficult to cope to with current surface-to-air guided missiles



*Research on technologies of missiles to respond to high-speed threats at high altitudes*

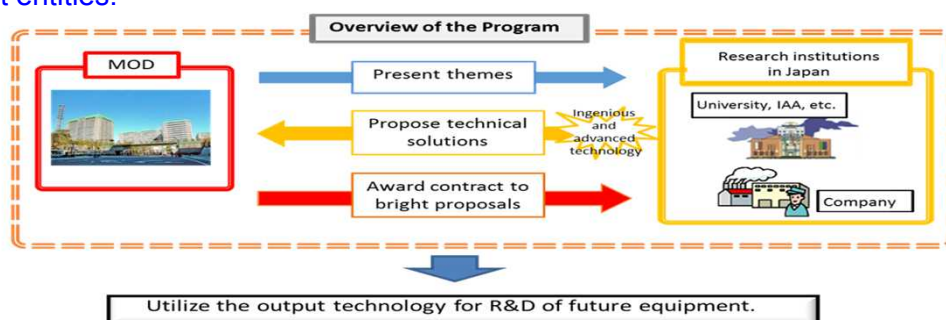
- Research on highly mobile powered suits (¥0.7 billion)  
Implement research on highly mobile powered suits that are both portable and agile, as well as being able to be utilized for disaster responses, by combining civil technologies with defense-unique technologies.



*Research on highly mobile powered suits*

- Innovative Science & Technology Initiative for Security (¥0.3 billion)  
Establish a funding program (competitive funds\*) to discover ingenious research by universities, IAA research institutes, and companies, etc., which may be applicable to defense equipment, thereby promoting promising seed research.

\* The fund distributor (MOD) requests far and wide for R&D topics and so on, selects the ones to undertake based on the assessment done by experts, which focuses on the scientific and technological aspects, and then provides funds to researchers or other relevant entities.



*Innovative Science & Technology Initiative for Security*

## (6) Tax reform

- Extension of light oil delivery tax exemption for light oils used as a power source for vessels, communication equipment ,etc. [local tax]
  - Extend the light oil delivery tax exemption for light oils used as a power source for SDF vessels, communication equipment, etc., for 3 years.

**Anti-piracy activities**



**Disaster relief missions**



Activities using marine vessels

- Establishment of exceptional measures concerning tax exemption for providing tax-free light oil based on ACSA [local tax]
  - Tax will be exempted for light oil delivered to the Australian military force as a power source for vessels, based on ACSA



Oil delivered to Australia  
(Disaster relief operation for the Philippines)

- Extending the special tax treatment measures concerning R&D tax incentive; Enhancing the open innovation-based credit (Joint request with METI, etc.) [Corporation, Income, and Corporation Inhabitant Taxes]
  - Establishing permanent measures to the R&D expenditures' volume-based credit, which sets the upper limit as 25% of the corporation tax.
  - Establishing special and permanent measures to tax credit rates of the R&D expenditures for industry-academia-government collaboration\*, which sets the upper limit as 5% of the corporation tax, thereby increasing tax credit rates.

\* The open innovation-based credit for joint R&D program. (tax credit rates; universities: 30%, others: 20%)



# Major equipment

# 1 Major equipment

Procurement type				FY2014 Number procured	FY2015	
					Number procured	Amount (¥100 million)
Aircraft	GSDF	Tilt-rotor aircraft (V-22)		—	5	516
		Restoration of transport helicopter (CH-47J)		(1)	—	—
	MSDF	Fixed-wing patrol aircraft (P-1)		3	20	3,504 (40)
		Patrol helicopter (SH-60K)		4	2	138 (5)
		Helicopter trainer (TH-135)		2	—	—
		Life extension of fixed-wing patrol aircraft (P-3C)		(3)	(3)	11
		Life extension of patrol helicopter (SH-60J)		(2)	(2)	10
		Capability improvement of radars mounted on fixed-wing patrol aircraft (P-3C)		(4)	(4)	9 (1)
		Capability improvement of infrared detection system on fixed-wing patrol aircraft (P-3C)		(4)	(4)	1
		ASDF	Fighter aircraft (F-35A)		4	6
	Modernization of fighter aircraft (F-15)		(12)	(8)	101	
	Upgrading of on-board NVG of fighter aircraft (F-15)		(1)	(—)	—	
	Improvement of air-to-air combat capability of fighter aircraft (F-2)		Upgrade	(12)	(—)	2
			Parts	(30)	(9)	
	Addition of JDCS function to fighter aircraft (F-2)		(—)	(2)	7 (8)	
	Trial upgrading of fighter aircraft (F-2) with on-board targeting pod		(1)	(—)	—	
	Transport aircraft (C-2)		2	—	—	
	Rescue helicopter (UH-60J)		3	1	49	
	New airborne early-warning aircraft (E-2D)		—	1	232	
	Improvement in capability of Airborne Warning And Control Systems (AWACS) (E-767)		Upgrade	(—)	(—)	156
			Parts	(1)	(1)	
	Addition of air-to-air refueling function to transport aircraft (C-130H)		Upgrade	(—)	(—)	6
			Parts	(—)	(1)	
	Joint Units	Unmanned Aerial Vehicle (Global Hawk) system		—	—	154
Vessel	MSDF	Destroyer (DD)		1	—	—
		Destroyer (DDG) (Construction of 1 destroyer and purchase the Aegis system of the 2 <sup>nd</sup> destroyer)		—	4 —	1,680 (22)
		Submarine (SS)		1	1	643 (16)
		Minesweeper ocean (MSO)		1	—	—
		Submarine rescue ship (ASR)		1	—	—
		Life extension of Hatsuyuki-class destroyer, etc.	Work	(1)	(—)	0.6
			Parts	(4)	(1)	
		Life extension of Asagiri-class destroyer	Work	(2)	(1)	16
			Parts	(3)	(2)	
		Life extension of Abukuma-class destroyer	Work	(2)	(2)	19
			Parts	(4)	(2)	
		Life extension of Hatakaze-class destroyer	Work	(1)	(—)	9
			Parts	(—)	(1)	
		Life extension of Kongo-class destroyer	Work	(—)	(—)	19
			Parts	(—)	(1)	
		Life extension of Oyashio-class submarine	Work	(1)	(2)	34 (4)
			Parts	(2)	(3)	
		Life extension of Kurobe-class training support vessel	Work	(—)	(—)	2
			Parts	(—)	(1)	
		Life extension of Wakasa-class oceanographic research ship	Work	(—)	(1)	4
			Parts	(—)	(1)	

Procurement type				FY2014 Number procured	FY2015	
					Number procured	Amount (¥100 million)
Vessel	MSDF	Life extension of Towada-class fast combat support ship	Work	(2)	(—)	7
			Parts	(2)	(1)	
		Life extension of Landing Craft Air Cushion	Work	(—)	(—)	4
			Parts	(2)	(2)	
		Function improvement of short-range SAM system on Takanami-class destroyer	Work	(—)	(—)	20
			Parts	(5)	(5)	
		Improvement in anti-submarine capability of Atago-class destroyer (MFTA)	Work	(—)	(—)	6
			Parts	(1)	(1)	
		Improvement in anti-submarine capability of Akizuki-class destroyer, etc. (multistatic)	Work	(1)	(1)	0.9
			Parts	(1)	(1)	
		Modernization of command system of Asagiri-class destroyer	Work	(—)	(—)	28 (2)
			Parts	(—)	(3)	
		Improvement in capability of Osumi-class LST	Work	(3)	(—)	6
			Parts	(3)	(1)	
Missile	GSDF	Type-03 middle-range surface-to-air missile (SAM)		1 company	1 company	164
		Type-11 short-range surface-to-air missile		1	1	29
		Middle-range multi-purpose missile		18 sets	12 sets	61
		Type-12 surface-to-ship missile		4 companies (16 units)	—	—
	ASDF	Surface-to-air missile for base air defense		—	1	56 (8)
Firearm, Vehicle, etc.	GSDF	Type-89 rifle		6,726	4,217	11
		Anti-personnel sniper rifle		50	—	—
		60mm motor (B)		6	—	—
		84mm recoilless rifle (B)		24	—	—
		81mm motor L16		1	1	0.1
		120mm motor RT		1	2	0.7
		Type-99 155mm self-propelled howitzer		6	6	58
		Type-10 tank		13	10	102
		Light armored vehicle		30	—	—
		Type-96 armored personnel carrier		8	—	—
		Amphibious vehicle (AAV7)		—	30	203
		NBC reconnaissance vehicle		1	—	—
		Vehicle, communications equipment, facility equipment, etc.		¥54.0 billion	—	344 (15)
	ASDF	Light armored vehicle		1	—	—
BMD	MSDF	Upgrade of the capability of Aegis-equipped destroyers		(2)	(2)	168

Note 1: The procurement amount for FY 2014 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 2015. (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), improvement in capability of Airborne Warning And Control Systems (AWACS) (E-767) and addition of air-to-air refueling function to transport aircraft (C-130H) the upper figure represents the number of services for aircraft modification, 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 2015 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: Regarding the unmanned aerial vehicle (Global Hawk) system, acquire air components with a long acquisition period and ground device for remote control operation.

Note 7: The number of procurements for the upgrade of the capability of Aegis-equipped destroyers in FY2015 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 new research and development programs

Item	Overview	FY2015 Amount (¥100 million)
Development of new patrol helicopters	Develop patrol helicopters with capability to detect submarines by coordinating with multiple helicopters in order to ensure superiority in anti-submarine operations in the seas surrounding Japan, including shallow seas.	70
Research on new radar systems for compact-type hull destroyers	Carry out research on new radar systems for destroyers that are downsized through shared antennas for air search radar, surface search radar, etc. while enhancing performance through coordination of various sensors.	33
Joint development of new multi-purpose helicopter	Develop a new multipurpose helicopter for aerial mobility in various situations, life saving during a large-scale disaster, etc. as a successor to existing equipment (UH-1J). Implement the program in parallel with joint development of civil aircraft by domestic and foreign companies, in terms of advancing efficient development.	10
Demonstration of two-color infrared sensor in space	Demonstration in space of MOD'S two-color infrared sensor, which has enhanced detection/identification capabilities through use of two wavelength ranges of middle and far infrared as hosted payload on MEXT/JAXA's advanced optical imaging satellite.	48
Project related next-generation fighter aircraft	Implement empirical research to accumulate and enhance fighter aircraft-related technologies in Japan so as to keep an option for the development of next-generation fighter aircraft including the possibility of international joint development of an aircraft to replace the F-2 when it is time to retire it.	342
Research on technologies of warhead for guided missiles against large vessels and threats to remote islands	Implement research on warheads that penetrate decks of large vessels such as a carriers, and explode and destroy the vessels by the blast effect from inside, as well as warheads with high penetration capabilities to covering wide area against ground targets on remote islands.	15
Research on technology of missiles to respond to high-speed threats at high altitude	Implement research on technologies of missiles to respond to ballistic missiles and high-speed cruise missiles at high altitudes that are difficult to respond to with current surface-to-air guided missiles.	8
Research on highly mobile powered suits	Implement research on highly mobile powered suits that are both portable and agile, as well as being able to be utilized for disaster responses, by combining civil technologies with defense-unique technologies.	7
Innovative Science & Technology Initiative for Security	Establish funding program (competitive funds*) to discover ingenious research by universities, IAA research institutes, and companies, etc., which may be applicable to defense equipment, thereby promoting promising seed research.	3



### 3 Changes in number of personnel

#### ● Changes in number of SDF personnel, etc

(Unit: Person)

	End of FY2014	End of FY2015	Increase/Decrease
GSDF	159,198	158,938	△260
Regular personnel	151,023	150,863	△160
Ready reserve personnel	8,175	8,075	△100
MSDF	45,494	45,364	△130
ASDF	47,073	46,940	△133
Joint Units	1,253	1,253	0
Joint Staff Office	367	368	1
Defense Intelligence Headquarters	1,910	1,911	1
Internal Bureau	40	48	8
Defense Equipment Acquisition Agency (provisional)	—	407	407
Total	247,160	247,154	△6
	(255,335)	(255,229)	(△106)

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	139,906	42,013	43,254

#### ● 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 FY2014	End of FY2015	Increase/Decrease
SDF reserve candidates	4,600	4,600	0

Note: The number of candidates for MSDF reserve personnel introduced with utilization of private marine transport capacity in mind is to be determined.

#### ● Change in number of administrative officials, etc.

(Unit: Person)

	FY2014	FY2015	Remarks
Increase	216	160 (848)	
Rationalization	△368	△277 (△848)	
Total	△152	117	
Number at the end of FY	21,283	21,166	

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

Note 2: figures in parentheses in "Increase" "Rationalization" of FY2015 are not included in the total figure related to operational reform.



# Defense-related Expenditures

# 1 Overall Defense-related Expenditures

[Expenditures (classified into 3 categories)]

(Unit: ¥100 million)

	FY2014 budget	YR/YR	FY2015 budget	YR/YR
Defense-related expenditures	47,838 (48,848)	1,035 [2.2] (1,310 [2.8])	48,221 (49,801)	383 [0.8] (953 [2.0])
Personnel and provisions expenses	20,930	1,034 [5.2]	21,121	192 [0.9]
Material expenses	26,909 (27,918)	1 [0.0] (276 [1.0])	27,100 (28,680)	192 [0.7] (762 [2.7])
Obligatory outlay expenses	17,174 (17,944)	562 [3.4] (796 [4.6])	17,182 (18,260)	8 [0.0] (316 [1.8])
General material expenses (activity expenses)	9,734 (9,974)	△561 [△5.5] (△519 [△5.0])	9,918 (10,420)	184 [1.9] (446 [4.5])

(Comments)

1. [ ] : growth rate

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

3. The top rows indicate that SACO-related expenses and the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) and expenses for the introduction of new government aircrafts are omitted.

The numbers in parentheses in the bottom row indicate the expenses which include those above.

The SACO-related expenses are:

FY 2014: ¥12.0 billion; FY 2015: ¥4.6 billion

The U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) are:

FY 2014: ¥89.0 billion; FY 2015: ¥142.6 billion

Expenses related to the introduction of new government aircrafts are: FY2015: 10.8 billion

4. As expenses for the reconstruction of Sapporo Hospital, the figures for FY 2014 include ¥1.0 billion, which is a portion of the budget of the Ministry of Finance.

5. Exchange rate for FY2015: US\$ = JPY ¥110

[Future Obligation Concerning New Contracts]

(Unit: ¥100 million)

	FY2014 budget	YR/YR	FY2015 budget	YR/YR
Total	19,465 (21,733)	2,948 [17.8] (4,434 [25.6])	22,998 (25,623)	3,534 [18.2] (3,891 [17.9])
Future obligations concerning new contracts (conventional portion)	19,465	2,948 [17.8]	20,581	1,117 [5.7]
Increase due to the acquisition of fixed-wing patrol aircraft (P-1) by a long term contract (15 units)	—	—	2,417	2,417 [all added]

(Comments)

1. [ ] : growth rate (%)

2. The top rows indicate that SACO-related expenses and the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities and expenses for the introduction of a new government aircraft are omitted.

The number in parentheses in the bottom row indicates expenses which include those above.

The SACO-related expenses are:

FY 2014: ¥1.7 billion; FY 2015: ¥1.0 billion

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

FY 2014: ¥89.7 billion; FY 2015: ¥261.5 billion

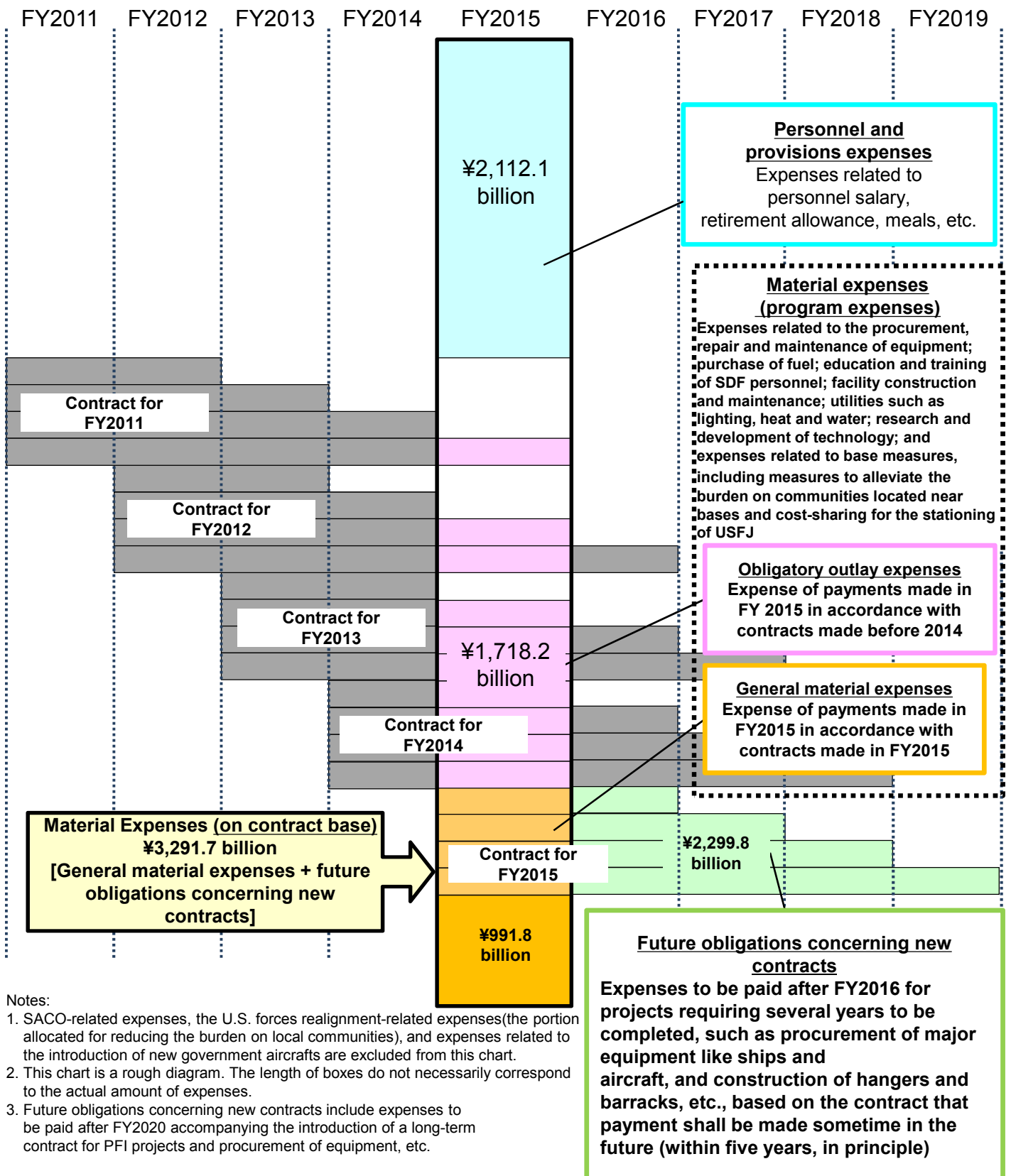
The expenses related to the introduction of new government aircrafts are FY2014: ¥135.5 billion



## Composition of Defense-related Expenses

**Expenditures: ¥4,822.1 billion**  
**[Personnel and provisions expenses + obligatory outlay expenses+ general material expenses]**

(Fiscal Year)



## Notes:

1. SACO-related expenses, the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities), and expenses related to the introduction of new government aircrafts are excluded from this chart.
2. This chart is a rough diagram. The length of boxes do not necessarily correspond to the actual amount of expenses.
3. Future obligations concerning new contracts include expenses to be paid after FY2020 accompanying the introduction of a long-term contract for PFI projects and procurement of equipment, etc.

## [Details and Classification of Material Expenses (Program Expenses)]

[Details and classification of material expenses  
(program expenses)]

(Unit: ¥100 million)

FY2015	Expenditure base	Contract base
Material expenses (program expenses)	27,100	32,917
Obligatory outlay expenses	17,182	
General material expenses	9,918	9,918
Future obligation concerning new contracts		22,998

(Comment)

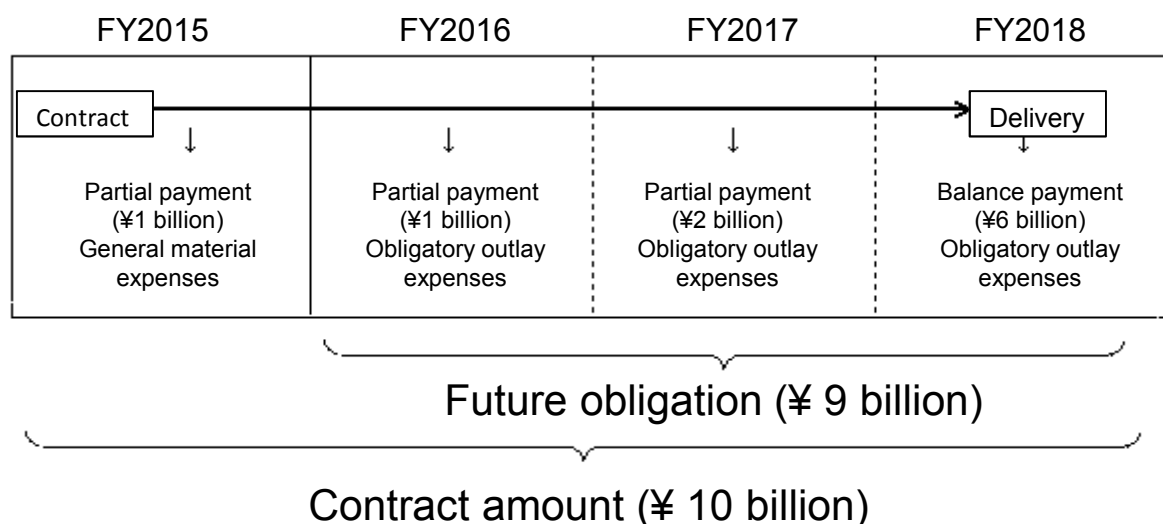
- Expenditure base: Total amount to be paid in the current fiscal year for projects like acquisition of equipment and facility development. Specifically, it is the sum of the expenses to be paid in FY 2015 (general material expenses) based on the contracts concluded in FY2015 and the expenses to be paid in FY 2015 (obligatory outlay expenses) based on the contracts concluded before FY 2014. 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 2015 and the expenses to be paid after FY2016 (future obligation pertaining to new contracts) based on the contracts concluded in FY2015. 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

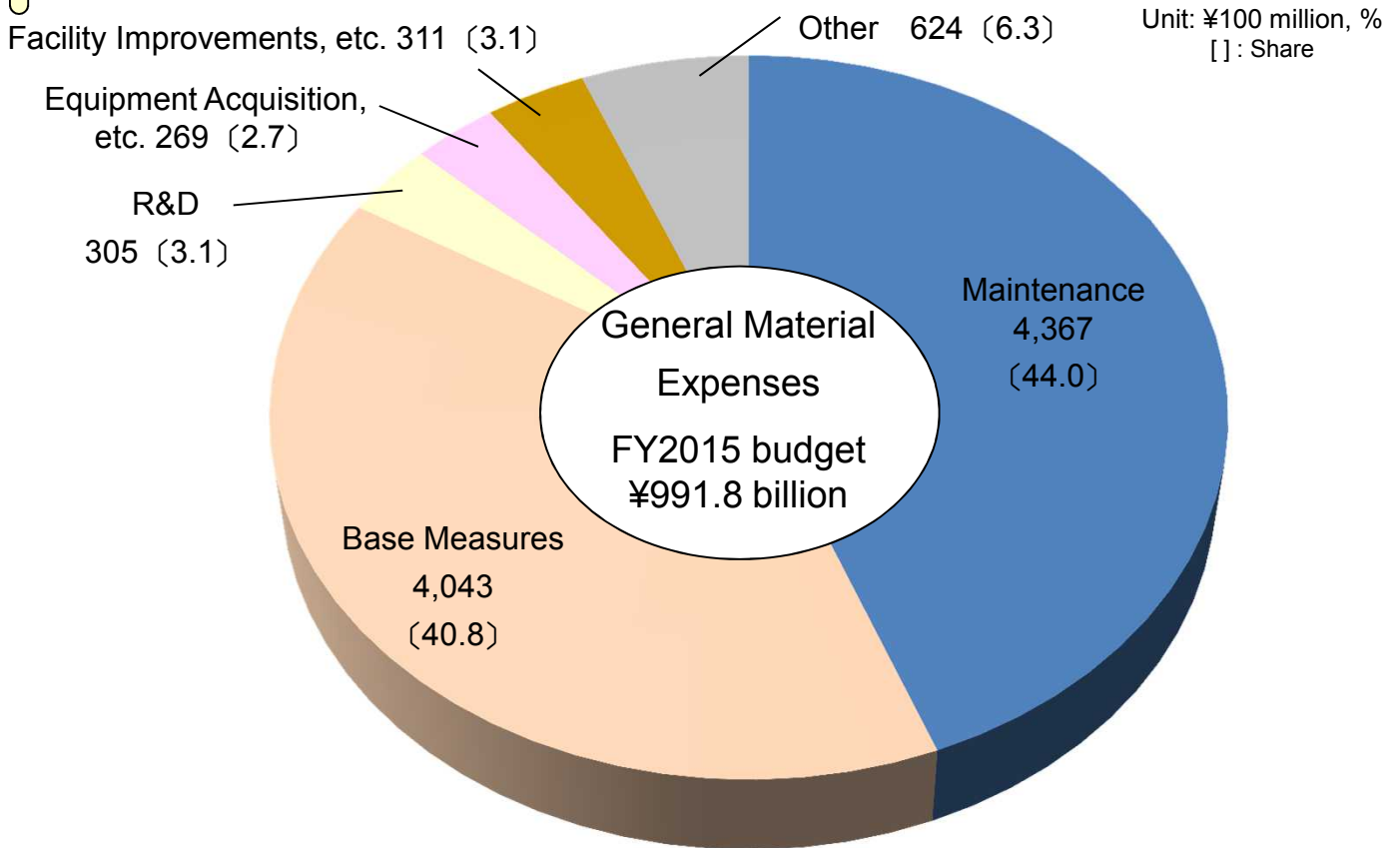
In the improvement of defense capabilities, it is common for work in areas like the procurement of major equipment including vessels and aircraft, as well as construction of hangars and accommodations for SDF personnel, to be carried out over several fiscal years. For this reason, the MOD makes contracts which extend several fiscal years (within five years in principle), 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 to be paid in the following fiscal year and beyond, in accordance with the contract of several fiscal years.

(e.g.) ¥10 billion worth of equipment to be procured under a four-year contract



### Details of General Material Expenses (Activity Expenses)

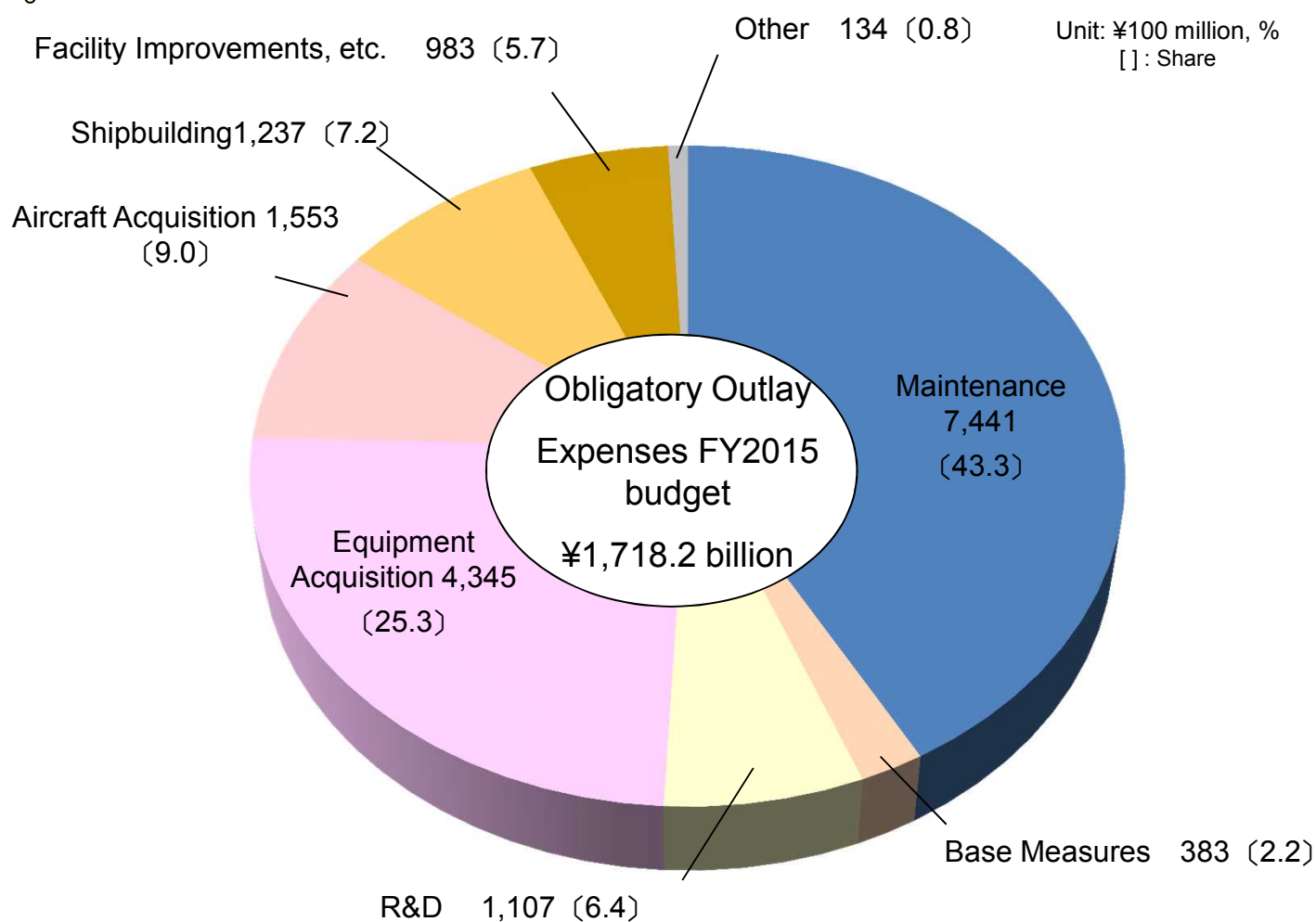


(Unit: ¥100 million)

Item	FY2014	FY2015	YR/YR
Maintenance	4, 1 5 3	4, 3 6 7	2 1 4
• Petrol	1, 0 5 3	1, 1 7 9	1 2 5
• Repair	1, 5 6 7	1, 6 6 5	9 8
• Education & Training	2 7 4	2 6 5	△ 9
• Medical Care	2 5 6	2 6 5	9
• Utilities	1, 0 0 2	9 9 3	△ 9
Base Measures	4, 0 3 9	4, 0 4 3	4
• Community Grants	1, 0 0 5	9 7 1	△ 3 4
• Host Nation Support	1, 7 0 2	1, 7 3 8	3 6
• Rent, Compensation Costs	1, 3 3 2	1, 3 3 4	2
Research & Development	2 9 4	3 0 5	1 1
Equipment Acquisition, etc.	4 0 8	2 6 9	△ 1 3 9
Facility Improvements, etc.	2 1 1	3 1 1	1 0 0
Other (computer rentals, etc.)	6 3 0	6 2 4	△ 6
Total	9, 7 3 4	9, 9 1 8	1 8 4

Note: SACO-related expenses and the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) are excluded from this table.

## Details of Obligatory Outlay Expenses



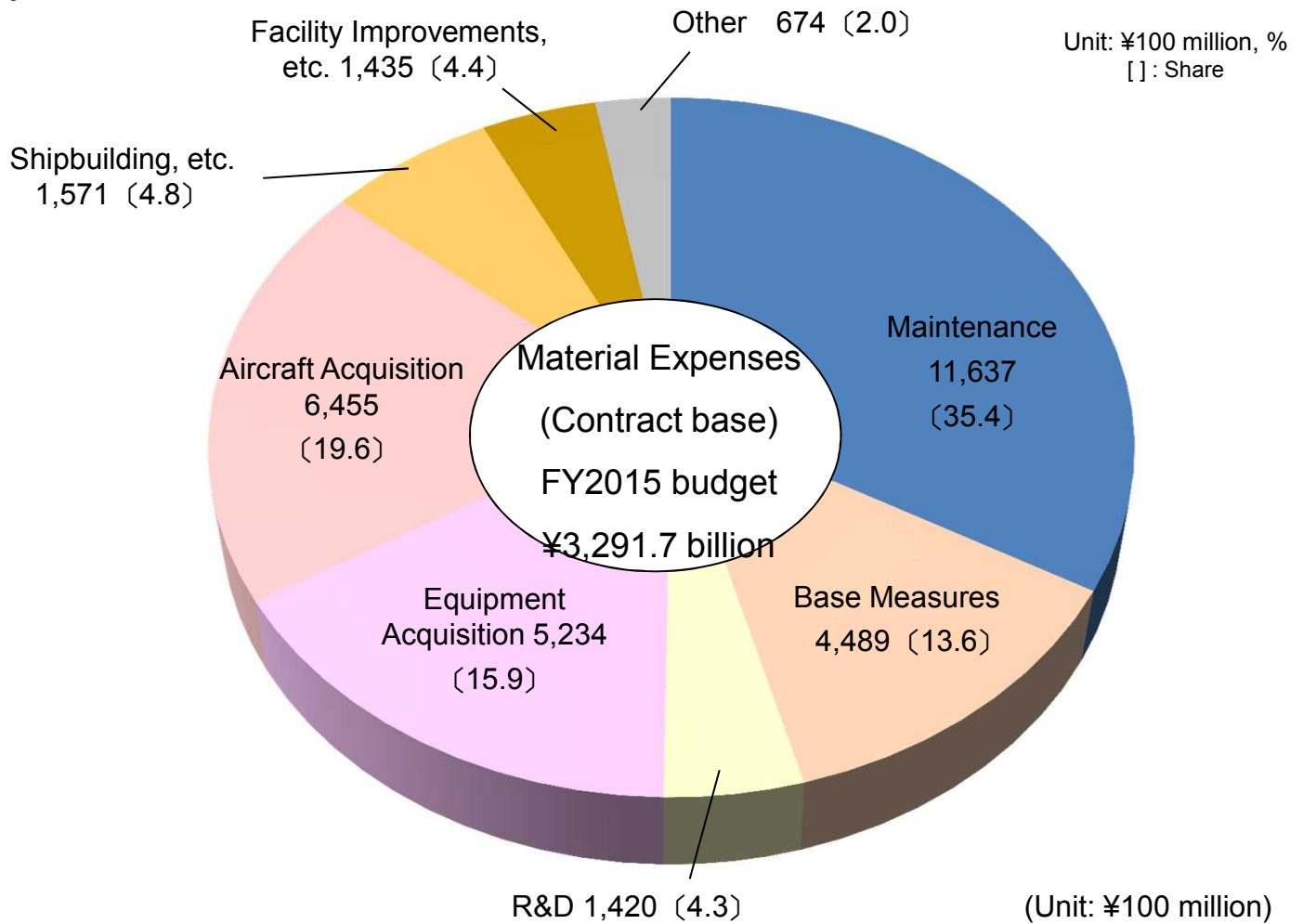
(Unit: ¥100 million)

Item	FY2014	FY2015	YR/YR
Maintenance	7, 2 0 7	7, 4 4 1	2 3 4
Repair	6, 8 6 0	7, 1 5 1	2 9 2
Education & Training	3 4 8	2 9 0	△ 5 7
Base Measures	3 5 8	3 8 3	2 4
Research & Development	1, 1 8 4	1, 1 0 7	△ 7 7
Equipment Acquisition	4, 7 9 9	4, 3 4 5	△ 4 5 5
Aircraft Acquisition	1, 7 1 0	1, 5 5 3	△ 1 5 6
Shipbuilding, etc.	1, 0 4 7	1, 2 3 7	1 8 9
Facility Improvements, etc.	7 3 9	9 8 3	2 4 4
Other (computer rentals, etc.)	1 3 0	1 3 4	4
<b>Total</b>	<b>1 7, 1 7 4</b>	<b>1 7, 1 8 2</b>	<b>8</b>

Note: SACO-related expenses, the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) and expenses related to the introduction of new government aircrafts are excluded from this table.



## Details of Material Expenses (Contract Base)

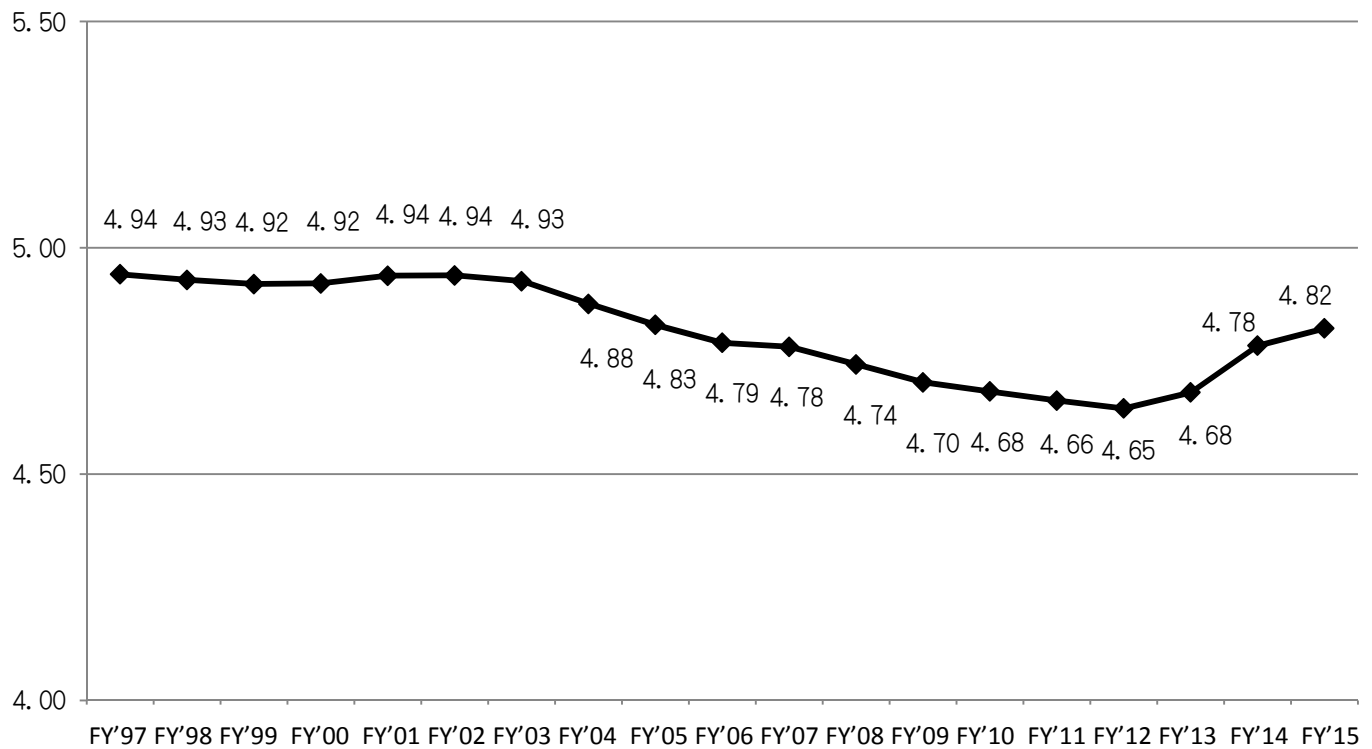


Item	FY2014	FY2015	YR/YR
Maintenance	11,956	11,637	△319
Petrol	1,053	1,179	125
Repair	8,794	8,554	△240
Education & Training	2,109	1,904	△205
Base Measures	4,463	4,489	26
Research & Development	1,346	1,420	74
Equipment Acquisition	4,908	5,234	327
Aircraft Acquisition	2,635	6,455	3,821
Shipbuilding, etc.	2,022	1,571	△450
Facility Improvements, etc.	1,123	1,435	311
Other (computer rentals, etc.)	746	674	△71
Total	29,199	32,917	3,718

Note: SACO-related expenses, the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) and expenses related to the introduction of new government aircrafts are excluded from this table.

## (Reference) Changes in Defense-related Expenditures

## Changes in Total Amount



## Changes in Growth Rate

	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003
Growth rate	2.0	Δ0.3	Δ0.2	0.0	0.3	0.0	Δ0.3

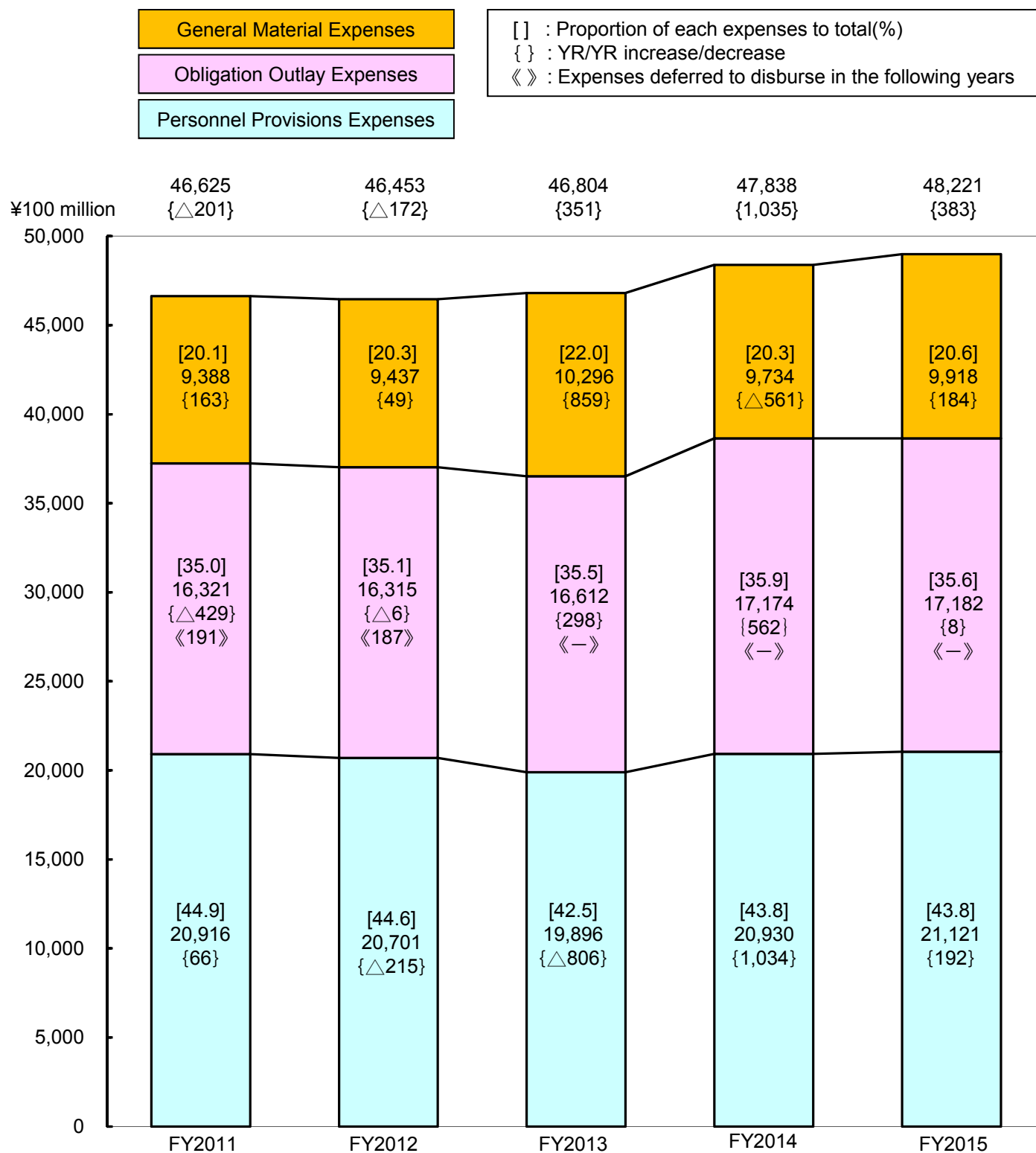
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Growth rate	Δ1.0	Δ1.0	Δ0.8	Δ0.2	Δ0.8	Δ0.8	Δ0.4

	FY2011	FY2012	FY2013	FY2014	FY2015
Growth rate	Δ0.4	Δ0.4	0.8	2.2	0.8

## Notes

1. Above figures are on expenditure basis.
2. SACO-related expenses, the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) and expenses related to the introduction of new government aircrafts are excluded from this table.

## Changes in the Three Categories



Note 1: SACO-related expenses, the U.S. forces realignment-related expenses (the portion allocated for reducing the burden on local communities) and expenses related to the introduction of new government aircrafts are excluded from this chart.

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)

## Breakdown by Organization

(Unit: ¥100 million, %)

Classification	FY2014	FY2015	YR/YR	Growth rate
Defense expenditure	47,838	48,221	383	0.8
Ministry of Defense	47,828	48,221	394	0.8
(Ministry of Defense Head Office)	47,642	47,338	△305	△0.6
GSDF	17,690	17,684	△6	△0.0
MSDF	11,298	11,358	60	0.5
ASDF	10,899	11,035	137	1.3
Sub-total	39,887	40,077	190	0.5
Internal bureaus	4,761	4,868	108	2.3
Joint Staff	276	400	124	45.0
Defense Intelligence Headquarters	652	640	△12	△1.9
National Defense Academy	145	156	12	8.2
National Defense Medical College	244	245	1	0.5
National Institute for Defense Studies	26	53	27	About 2 times
Technical Research and Development Institute	1,579	858	△720	△45.6
Equipment Procurement and Construction Office	69	35	△34	△49.8
Inspector General's Office of Legal Compliance	5	5	0	2.1
Sub-total	7,755	7,260	△495	△6.4
(Regional Defense Bureaus)	186	186	0	0.1
(Defense Equipment Acquisition Agency)	—	698	698	Program added
Ministry of Finance				
(Ministry of Finance Head Office)	10	—	△10	Program abolished

Note: SACO-related expenses, the portion pertaining to the reduction of local burden in the U.S. forces realignment-related expenses and expenses related to introducing a new government dedicated aircraft are excluded from this table.



# Promotion of Base Measures, etc

(Unit: ¥100 million, %)

Classification	FY2014 Budget	FY2015 Budget	YR/YR	Growth rate	Remarks
Promotion of base measures, etc	< 4,463 > 4,397	< 4,489 > 4,425	< 26 > 29	< 0.6 > 0.7	
Expenses related (1) to measures for local communities	< 1,231 > 1,207	< 1,195 > 1,184	< Δ 36 > Δ 24	< Δ 2.9 > Δ 1.9	
Residential sound insulation	< 435 > 432	< 398 > 396	< Δ 37 > Δ 36	< Δ 8.5 > Δ 8.3	Subsidies for soundproofing work near air base
Improvement of surrounding environment	< 796 > 775	< 797 > 787	< 1 > 12	< 0.2 > 1.6	Subsidies for living environment and facilities (river and road reconstruction, soundproofing work on schools, improvement of public welfare facilities, etc.
(2) Cost-sharing for the stationing of USFJ	< 1,890 > 1,848	< 1,912 > 1,899	< 22 > 51	< 1.2 > 2.7	
Special Measures Agreement	1,374	1,416	43	3.1	
Labor cost	1,119	1,164	45	4.0	Cost of wages of USFJ employees
Utilities	249	249	Δ 0	Δ 0.1	Cost of utilities used at USFJ facilities
Training relocation cost	5	3	Δ 2	Δ 39.0	Expenses related to U.S. Field Carrier Landing Practice on Iwo Jima
Facilities improvement	< 254 > 213	< 233 > 221	< Δ 20 > 8	< Δ 8.0 > 3.9	Improvement of USFJ facilities (barracks, family housing, etc.)
Measures for USFJ employees, etc.	262	262	Δ 0	Δ 0.2	Expenses related to social insurance premiums by the Employer
(3) Facility rentals, Compensation expenses, etc.	< 1,342 > 1,341	< 1,382 > 1,343	< 40 > 1	< 3.0 > 0.1	Rental cost of land used for defense facilities and compensation for loss of fishermen's income, etc

Note: The figures are on expenditure basis (General Material Expenses + Obligatory Outlay Expenses), and figures in <> indicate contract-based amount.

## Expenses Related to the Special Action Committee in Okinawa (SACO)

(Unit: ¥100 million, %)

Item	FY2014 Budget	FY2015 Budget	YR/YR	Growth rate	Remarks
1 Program for land restitution	< 6 > 24	< 11 > 5	< 5 > △ 19	< 90.8 > △ 77.6	Implementation of measures included in the Special Action Committee on Okinawa (SACO) Final Report  Relocation work and compensation of expenses for relocating U.S. facilities and returning land
2 Programs for improvements of Drills	13	14	0	3.2	Personnel transportation etc. associated with relocation of live-fire training over Okinawa Prefectural Highway 104 to maneuver areas on the mainland of Japan
3 Programs for noise abatement	< 12 > 60	< 0 > 3	< △ 12 > △ 57	< △ 99.9 > △ 95.7	Implement noise abatement initiatives
4 Programs for facilitation of the SACO project	23	25	2	8.5	Programs to facilitate implementation of measures included in the SACO Final Report
Total	< 54 > 120	< 49 > 46	< △ 5 > △ 74	< △ 9.1 > △ 61.5	

## The Portion Allocated for Reducing the Burden on Local Communities in the U.S. Forces Realignment-related Expenses

(Unit: ¥100 million, %)

Item	FY2014 Budget	FY2015 Budget	YR/YR	Growth rate	Remarks
1 Projects for Relocation of U.S. Marine personnel from Okinawa to Guam	14	17	3	19.2	Promotion of measures to appropriately and promptly implement realignment measures based on "Government's undertakings regarding the review of the force configuration, etc. of the U.S. Forces in Japan"(approved by the Cabinet on May 30, 2006) and "Government's present undertakings regarding the items approved at the Japan-United States Security Consultative Committee on May 28, 2010"(approved by the Cabinet on May 28, 2010)  Funding for the projects for U.S. Marine Corps in Okinawa to relocate to Guam
2 Programs for realignment on Okinawa	< 24 > 57	< 1,825 > 271	< 1,800 > 214	< 74.9 times > 4.8 times	
(1) Relocation of MCAS Futenma	< 21 > 53	< 1,736 > 244	< 1,714 > 191	< 80.8 times > 4.6 times	Projects regarding the relocation of MCAS Futenma
(2) Return of areas south of Kadena	< 3 > 4	< 89 > 28	< 86 > 24	< 31.1 times > 7.1 times	Programs regarding the return of areas south of Kadena Air Base
3 Projects related to the transformation of the U.S. Army Command	< 0 > 75	< 1 > 1	< 0 > △ 74	< 2.6 times > △99.3	Projects regarding the return, etc. of the portion of areas, facilities, etc. in the Sagami General Depot
4 Projects for the relocation of Carrier Air Wing	< 904 > 589	< 1,021 > 926	< 117 > 337	< 13.0 > 57.2	
(1) MCAS Iwakuni	< 903 > 589	< 1,019 > 926	< 117 > 337	< 12.9 > 57.3	Projects regarding the relocation of elements of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni
(2) Facilities etc. for Field Carrier Landing Practice (FCLP)	< 1 > 1	< 2 > 0	< 1 > △ 0	< 2.0 times > △60.5	Projects related to the facilities etc. for Field Carrier Landing Practice (FCLP)
5 Projects for training relocation	49	52	4	7.2	Program regarding the aviation training relocation from Kadena Air Base, etc. to the mainland of Japan, Guam, etc.
6 Projects to facilitate realignment measures	< 108 > 105	< 163 > 158	< 54 > 53	< 50.1 > 50.3	
(1) Realignment grant	100	130	30	30.3	
(2) measures for the surroundings of bases, etc.	< 8 > 5	< 32 > 28	< 24 > 23	< 3.9 times > 5.4 times	
Total	< 1,100 > 890	< 3,078 > 1,426	< 1,979 > 536	< 2.8 times > 60.3	

Notes : U.S. Forces realignment-related expenses are ¥46.1million&lt;¥311.2 million&gt; and broken down as follows;

(1) Measures to contribute to reduce the burden on local communities: ¥142.6 million&lt;¥307.8 million&gt;

(2) Measures to maintain deterrence: ¥3.5 million&lt;¥3.4 million&gt;



# Reference



# Overview of FY2014 Supplementary Budget Bill (Ministry of Defense)

Ministry of Defense  
January 2015

Total amount allocated by the Ministry of Defense

.....¥211.0 billion (¥258.2 billion)

\*The value is based on annual expenditure. The value in parentheses is based on contracts.

## **1. Economic Measures (Action to address disasters and crises, including accelerated recovery and reconstruction after disasters)**

### **(1) Enhancing the capability of the Self-Defense Forces to cope with disasters**

..... ¥31.7 billion

(¥61.6 billion)

Acquisition of various equipment and supplies necessary for rescuing disaster victims and conducting long term on-site inspections in various emergency situations such as large-scale disasters and infections.

- Acquisition of transport helicopters (CH-47J) [2 units] and liaison reconnaissance type-2 (LR-2) [1 unit]

- Acquisition of light armored vehicle [43 units], NBC reconnaissance vehicle [1 unit] and type-96 armed personnel carrier [8 units]

- Acquisition of filed communication systems [2 units]

- Acquisition of life-saving units and equipment for mountain rescue

- Acquisition of personnel protection equipment and chemical protection clothing



【CH-47J】



【personnel protection equipment】



【chemical protection clothing】



【Light Armored Vehicle】



【NBC Reconnaissance Vehicle】

### **(2) Securing stable operation posture of the Self-Defense Forces** ..... ¥45.7 billion

(¥52.6 billion)

Expenses for securing stable operation posture of SDF, such as maintenance/enhancement of SDF camps/bases which serve as operational hubs and improvement of operational availability, in the time of an increasingly severe security environment.

- Development of operation bases on remote islands (Yonaguni Island, Naha)

- Acquisition of ship-based video transmission equipment

- Procurement of equipment parts, etc.

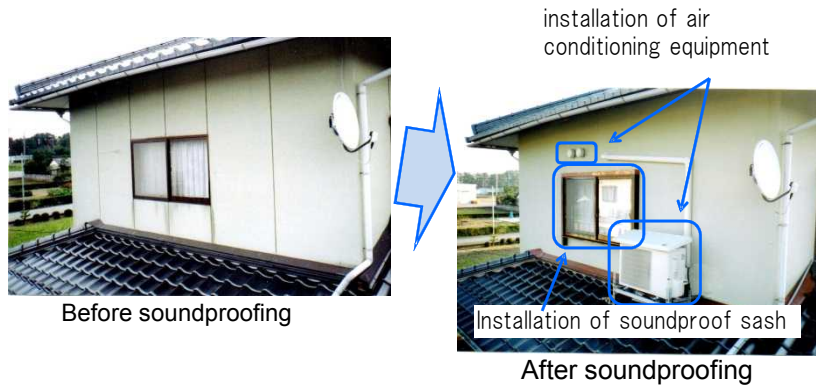


### (3) Smooth operation of defense facilities

• • • • • • • • • • **¥33.6 billion**  
**(¥44.0 billion)**

Expenses for ensuring stable operation of defense facilities and steadily making progress on USFJ realignment

- Subsidies for soundproofing on houses near airfields such as Atsugi Air Facility
- Relocation of U.S. Marine Corps stationed in Okinawa to Guam
- Facility development for Relocation of MCAS Futenma
- Facility development for Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni



**【Subsidies for soundproofing】**

## **2. Additional fiscal necessity (Expenses for SDF operations)**

### **Additional fiscal necessity (Expenses for SDF operations)**

**■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ¥99.9 billion**

- Additional payment for SDF personnel due to their pay revision
- Necessary fuel costs
- Expenses for extended participation of the SDF in the United Nations PKO in South Sudan(UNMISS)
- Expenses for extended participation of the SDF in counter-piracy operations
- -Expenses to cover for foreign exchange reserve shortage caused by the depreciation of the Yen
- Expenses for the introduction of a new government aircraft



**【SDF engineer units  
engaging in road construction】**



**【Counter-Piracy Operation off the coast of Somalia and in the Gulf of Aden】**







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## Defense Programs and Budget of Japan Overview of FY2015 Budget

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