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Ministry of Defense

Progress and Budget in Fundamental Reinforcement of Defense Capabilities

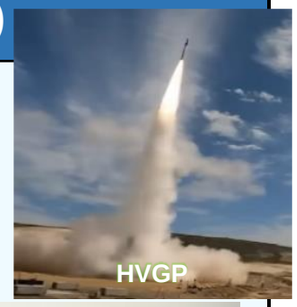
Overview of FY2026 Budget

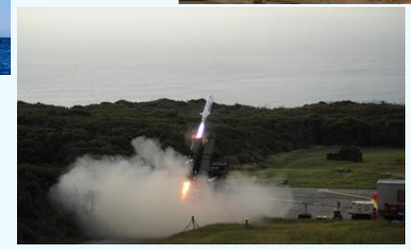
Progress of Defense Buildup Program

- ✓ **The MOD/SDF has been promoting fundamental reinforcement of defense capabilities focusing on the following "Seven Pillars" as the functions and capabilities necessary for the defense of Japan.**
- ✓ **Projects have been managed thoroughly and are generally progressing as planned.**
- ✓ **The FY2026 budget includes the projects that need to be started in FY2026 in order to realize the fundamental reinforcement of defense capabilities within the planned period.**

Seven Pillars	Progress of Fundamental Reinforcement (Examples) (From January 2025)
Stand-off Defense Capabilities	➢ **Conducted the second launch test of Hyper Velocity Gliding Projectile (HVGP) (June – August 2025).** **Plan to complete the development and begin the deployment (FY2025).** ➢ **Conducted the second launch test of Upgraded Type-12 SSM (surface-launched variant) (October – November 2025).** **Plan to complete the development and begin the deployment (FY2025).** ➢ **Scheduled the delivery of Tomahawk missiles and JSM (FY2025).**
Integrated Air and Missile Defense Capabilities	➢ **Started the land-based integration test of SPY-7 radar arrays for the first Aegis System Equipped Vessel (September 2025).**
Unmanned Defense Capabilities	➢ **Acquired multipurpose UAV (close-range) and enhanced functions type UAV (mid-range) (March 2025).** ➢ **Conducted demonstration tests on transport UAV (small-sized shore-to-ship) (July 2025).** ➢ **Participated in the experimental exercise on maritime autonomous systems (initiative on AUKUS "Pillar II" (advanced technology cooperation)) (July 2025).** ➢ **Promoted the research and development (R&D) on Combat-supporting Multi-purpose USV*, etc.** ***USV: Unmanned Surface Vehicle**


Tomahawk (conceptual image)


HVGP


Upgraded Type-12 SSM


Aegis System-Equipped Vessel (conceptual image)


Multipurpose UAV (close-range)


【under R&D】
Combat-supporting Multi-purpose USV (conceptual image)

Progress of Defense Buildup Program

Seven Pillars	Progress of Fundamental Reinforcement (Examples) (From January 2025)
Cross-domain Operation Capabilities (Space/Cyberspace/Land, Maritime and Air Domains)	➢ Started operation of X-band defense communication satellite called Kirameki-3 (February 2025). ➢ Established 8th Surface-to-Ship Missile Regiment at Camp Yufuin (March 2025). ➢ Started operation of SSA* radar by ASDF Space Operations Group (March 2025). ➢ Deployed F-35A at Komatsu Air Base (April 2025). ➢ Formulated the “Space Domain Defense Guidelines” (July 2025). ➢ Established Camp Saga and relocated V-22 Osprey from Camp Kisarazu (July – August 2025). ➢ Deployed F-35B at Nyutabaru Air Base (August 2025). *SSA：Space Situational Awareness ➢ Conducted the naming and launching ceremony for the 12th Mogami-class frigate (FFM) (December 2025)
Command and Control/ Intelligence-related Functions	➢ Established the JSDF Joint Operations Command (JJOC) (March 2025). ➢ Formulated the “Next-Generation Information and Communication Strategy of the Ministry of Defense” (July 2025).
Mobile Deployment Capabilities/ Civil Protection	➢ Conducted the naming and launching ceremony for the two transport vessels (LCU) – Amatsusora and Aozora planned to be deployed to the SDF Maritime Transport Group (October and November 2025).
Sustainability /Resiliency (Ammunitions/ Sustainment and Maintenance/ Improvement of Facility Resiliency)	➢ Started initiatives for storing spare equipment to maintain (April 2025).


SSA Radar


Deployment of F-35A at Komatsu Air Base


Establishment of Camp Saga Deployment of V-22


Establishment of JJOC


Transport Vessel Amatsusora


Maintenance of spare equipment (“Mothball”)

FY2026 Budget ~Basic Concept~

○ Under the basic understanding that **security environment surrounding Japan is becoming increasingly and rapidly severe**, the Government of Japan has brought forward the goal to achieve the defense budget level of 2% of GDP[*1] outlined in the current National Security Strategy (NSS) in FY2025 with a combination of initial and supplementary budget and has started the review of 3 strategic documents[*2], including NSS. With that in mind, the Ministry of Defense (MOD) will **secure necessary and sufficient budget in FY2026, based on the current Defense Buildup Program (DBP)**.

– **The expenditure budget** for DBP implementation amounts to **¥8,809 billion**. The MOD will **steadily increase its budget** in line with the progress of programs and executions of the budget throughout the DBP period.

– **The contract budget** for DBP implementation amounts to **¥8,261 billion**, **resulting from the compilation of a list of projects necessary to start by FY2026**.

○ The MOD/Self-Defense Force (SDF) will continue to **fundamentally reinforce the seven key pillars which are core areas of future defense capabilities, such as unmanned defense capabilities** including **the establishment of Synchronized, Hybrid, Integrated and Enhanced Littoral Defense (SHIELD) by unmanned assets, stand-off defense capabilities, integrated air and missile defense capabilities, and cross-domain operation capabilities**. Continuously, the MOD will **emphasize on increasing the number of operationally available equipment items, securing ammunitions, and investing in improving the resiliency of defense facilities**.

○ Also, following FY2025, given the current severe recruitment environment for SDF personnel, the MOD/SDF will **accelerate efforts to strengthen the human resource base**. The MOD/SDF will also work **to establish treatment appropriate for the Reiwa period, so that people can feel a sense of pride and honor in serving or having served as SDF personnel**.

Furthermore, as defense production and technology bases are a virtually integral part of defense capability itself, the MOD will **reinforce the defense production and technology bases, including transfer of defense equipment and technology and measures to incorporate advanced civilian technologies. The MOD also prioritize ensuring the steady implementation of the U.S. Forces realignment measures, including measures for communities around bases.**

○ The MOD will also closely monitor project progress across the 15 categories. Besides, in light of the weak yen and high prices, the MOD will continue to carefully **examine costs and promote efficient procurement**.

*1: About ¥11 trillion as a total of the budgets for fundamental reinforcement of defense capabilities and complementary initiatives

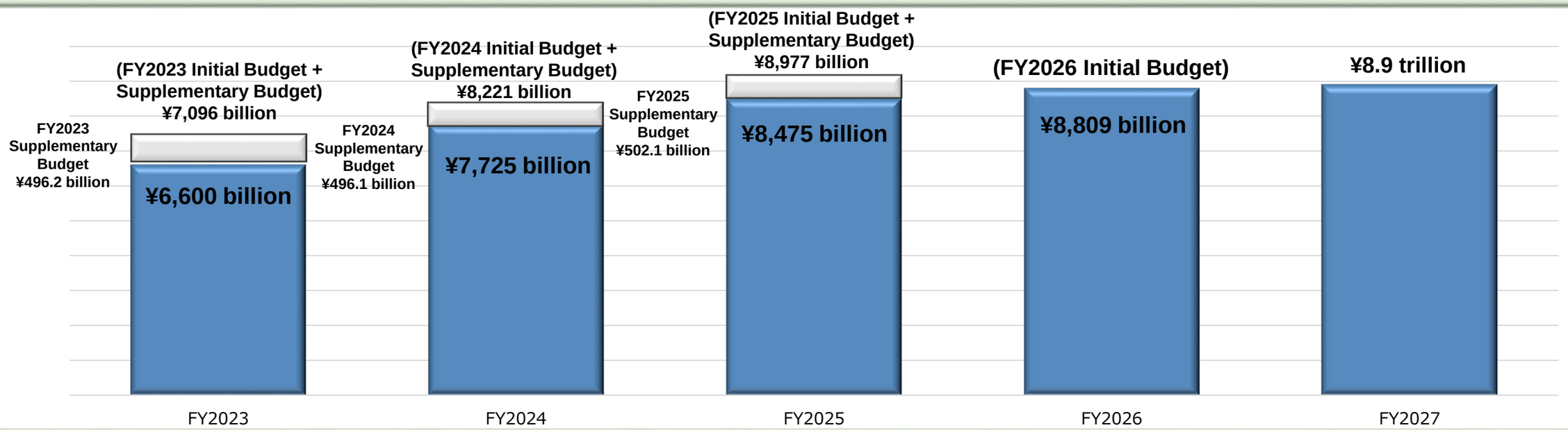
*2: National Security Strategy, National Defense Strategy, Defense Buildup Program (Formulated by the National Security Council and approved by the Cabinet on December 16, 2022)

Progress of Defense Buildup Program ~Implementation of the DBP~

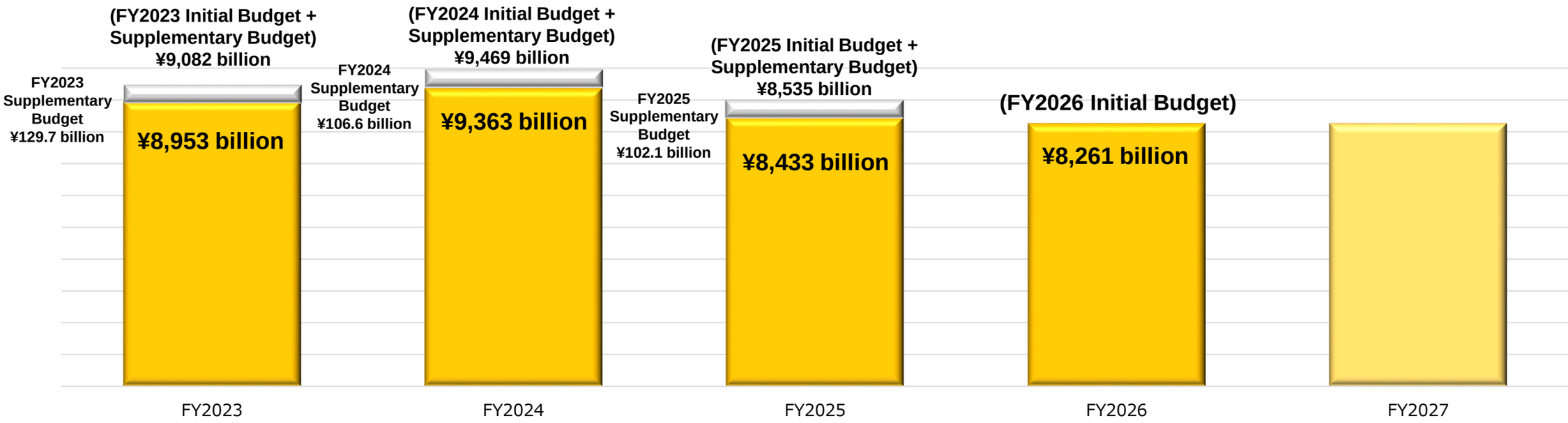
○ **For expenditures, the budget will be steadily increased** in line with the progress of programs and executions of the budget.

○ **For contracts, the budget will be developed** within FY2026, **with 81% of the planned budget outlined in the DBP (¥43.5 trillion) to be executed**.

Target level of defense buildup under the DBP (total expenditure) 【¥43 tril.】
(Total defense budgets under the DBP (total expenditure) 【¥40.5 tril.】)



Total expenses based on contracts for new projects under the DBP (contract basis)【¥43.5 tril.】



*Figures are expenses under the DBP, which do not includes SACO-related expenses or U.S. Forces realignment-related expenses (the portion allocated for mitigating the impact on local communities).

FY2026 Budget ~Expense Classifications~

【Annual Defense-related Expenditures (3 categories)】

【Unit: ¥100 million】

Category	FY2025 Budget	year on year change	FY2026 Budget	year on year change
Defense-related Expenditures	84,748 (87,005)	7,498 [9.7] (7,508 [9.4])	88,093 (90,353)	3,345 [3.9] (3,349 [3.8])
Personnel and provisions expenses	23,508	1,218 [5.5]	23,897	389 [1.7]
Material expenses	61,240 (63,497)	6,280 [11.4] (6,290 [11.0])	64,196 (66,456)	2,956 [4.8] (2,959 [4.7])
Obligatory outlay expenses	43,119 (44,553)	5,191 [13.7] (5,073 [12.9])	45,398 (46,857)	2,279 [5.3] (2,304 [5.2])
General material expenses	18,121 (18,944)	1,089 [6.4] (1,217 [6.9])	18,798 (19,599)	677 [3.7] (655 [3.5])

(Note)

1. [ ]:year on year growth rate (%)
2. Figures are rounded off and may not add up to stated totals or subtotals.
3. Figures in the lower row of “Defense-related Expenditures” include SACO-related expenses and U.S. Forces realignment-related expenses (the portion allocated for mitigating the impact on local communities).
4. “Defense-related expenses” are the sum of the expenses managed by the Ministry of Defense and the expenses managed by the Digital Agency for MOD systems.
5. SACO-related expenses and U.S. Forces realignment-related expenses (the portion allocated for mitigating the impact on local communities), improving operational availability, securing ammunitions and a part of expenses for fundamental reinforcement of human resource base are requested for items.

FY2026 Budget ~Allocation~

○ **Under the 15 areas**, the MOD will continuously **monitor progress of allocating project funding**.

(contract basis)

Classification	Areas	Total Program Expenses from FY23 to FY27	Program Expenses for FY2023	Program Expenses for FY2024	Program Expenses for FY2025	Program Expenses for FY2026 Request
Stand-off Defense Capabilities		¥5.0 trillion	¥1,413 billion	¥713 billion	¥939 billion	¥973 billion
Integrated Air and Missile Defense Capabilities		¥3.0 trillion	¥983 billion	¥1,228 billion	¥533 billion	¥509 billion
Unmanned Defense Capabilities		¥1.0 trillion	¥179 billion	¥115 billion	¥111 billion	¥277 billion
Cross-domain Operation Capabilities	Space	¥1.0 trillion	¥153 billion	¥98 billion	¥212 billion	¥135 billion
	Cyber	¥1.0 trillion	¥236 billion	¥203 billion	¥262 billion	¥231 billion
	Vehicles / Vessels / Aircraft, etc.	¥6.0 trillion	¥1,176 billion	¥1,339 billion	¥1,138 billion	¥991 billion
Command and Control / Intelligence-related Functions		¥1.0 trillion	¥305 billion	¥425 billion	¥385 billion	¥364 billion
Mobile Deployment Capabilities / Civil Protection		¥2.0 trillion	¥240 billion	¥565 billion	¥455 billion	¥192 billion
Sustainability and Resiliency	Ammunitions	¥2.0 trillion (¥5.0 trillion including other areas)	¥212 billion (¥828 billion including other areas)	¥402 billion (¥925 billion including other areas)	¥288 billion (¥767 billion including other areas)	¥255 billion (¥907 billion including other areas)
	Sustainment and Maintenance for Equipment, and Securing Operational Availability	¥9.0 trillion (¥10.0 trillion including other areas)	¥1,793 billion (¥2,036 billion including other areas)	¥1,909 billion (¥2,337 billion including other areas)	¥1,770 billion (¥2,225 billion including other areas)	¥1,741 billion (¥2,124 billion including other areas)
	Facilities Improvement	¥4.0 trillion	¥474 billion	¥631 billion	¥695 billion	¥878 billion
Reinforcing Defense Production Base		¥0.4 trillion (¥1.0 trillion including other areas)	¥97 billion (¥147 billion including other areas)	¥83 billion (¥92 billion including other areas)	¥96 billion (¥100 billion including other areas)	¥68 billion (¥96 billion including other areas)
Research and Development		¥1.0 trillion (¥3.5 trillion including other areas)	¥232 billion (¥897 billion including other areas)	¥226 billion (¥822 billion including other areas)	¥219 billion (¥639 billion including other areas)	¥291 billion (¥709 billion including other areas)
Base Measures		¥2.6 trillion	¥515 billion	¥514 billion	¥536 billion	¥546 billion
Training / Education, Fuels, etc.		¥4.0 trillion	¥944 billion	¥912 billion	¥795 billion	¥808 billion
Total		¥43.5 trillion	¥8,953 billion	¥9,363 billion	¥8,433 billion	¥8,261 billion

*Figures are rounded off and may not add up to stated totals

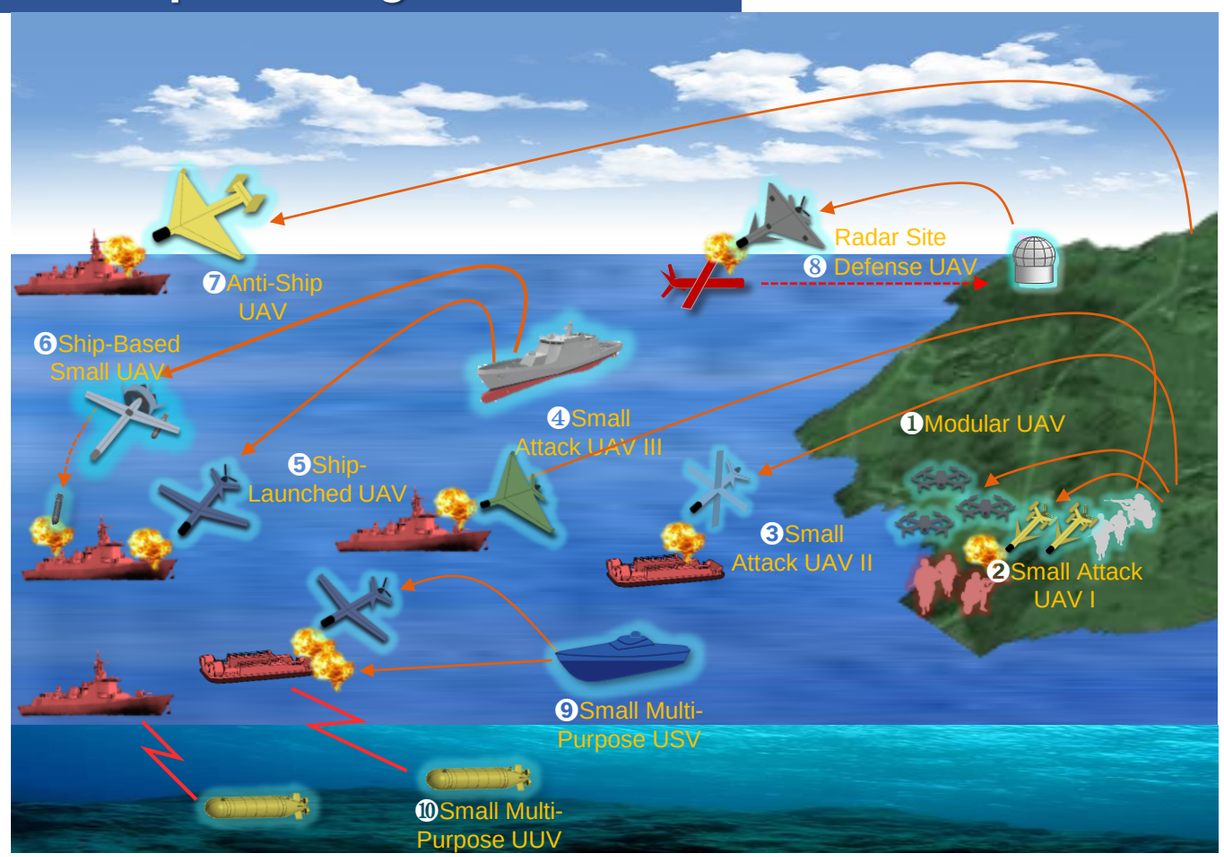
FY2026 Budget ~Key Points~

◆Unmanned Defense Capabilities The Establishment of SHIELD by Unmanned Assets

（*SHIELD：Synchronized, Hybrid, Integrated and Enhanced Littoral Defense*）

- ○ With the recent **introduction of unmanned assets and progress of technological innovation in various foreign countries**, the character of warfare has undergone significant changes. For Japan, it is more urgent than ever **to promptly establish an asymmetrical defense architecture** utilizing not only manned platforms but also **a combination of inexpensive and large-quantity UAVs, USVs and UUVs** in order to defend against various forms of invasion including those costly manned platforms.
- ○ It is now possible to rapidly acquire a large number of various unmanned assets, leveraging the latest technologies in addition to insights gained from previous demonstration experiments.
- ○ Accordingly, the MOD will advance these initiatives by **allocating approx. ¥100.1 billion** in the FY2026 budget request, **aiming to establish the SHIELD by unmanned assets in FY2027**.
- ○ In parallel with the efforts, **the early introduction of simultaneous control system for various unmanned platforms** will also be promoted.

Conceptual Image of SHIELD



Acquirement of Unmanned Assets for SHIELD

❶ Modular UAV (GSDF)
❷ Small Attack UAV I (GSDF)
❸ Small Attack UAV II (GSDF)
❹ Small Attack UAV III (GSDF)
❺ Ship-Launched UAV (MSDF)
❻ Ship-Based Small UAV (MSDF)
❼ Anti-Ship UAV (ASDF)
❽ Radar Site Defense UAV (ASDF)
❾ Small Multi-Purpose USV (GSDF/MSDF)
❿ Small Multi-Purpose UUV (GSDF)

Projects Related to SHIELD

○ Demonstration for the introduction of simultaneous various unmanned platforms control capabilities

FY2026 Budget ~Key Points~

◆ Stand-off Defense Capabilities

【Acquisition of Stand-off Missiles】

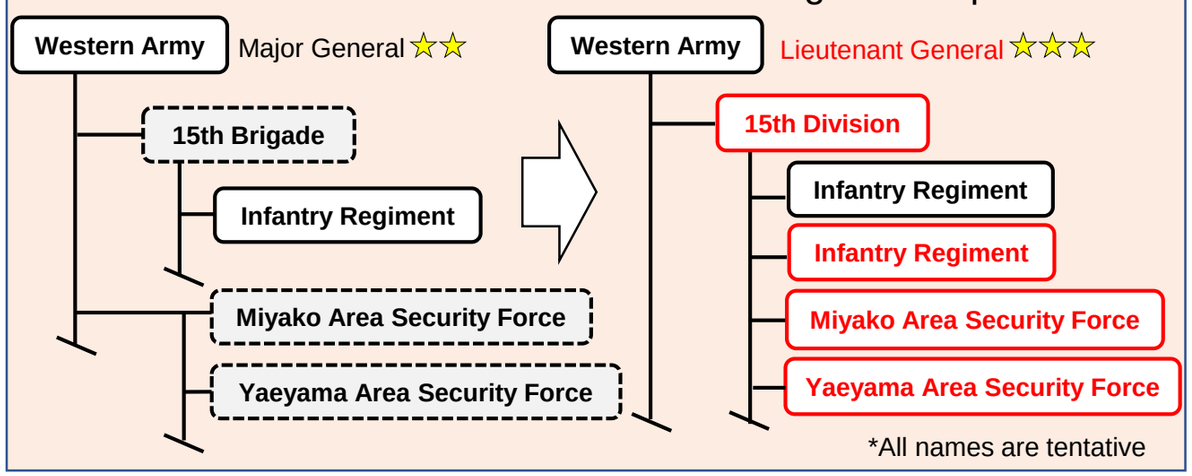
○ Following FY2025, the MOD/SDF will continue to conduct R&D, mass production, and acquisition of various stand-off missiles with different characteristics in terms of range, velocity, flying patterns, targets, and launch platforms.

Equipment name (conceptual image)	2023 R5	2024 R6	2025 R7	2026 R8	2027 R9	2028 R10
Upgraded Type-12 SSM (Surface-launched)	Planned to be developed and tested			Start mass production / Planned to be deployed		
Upgraded Type-12 SSM (Ship-launched)	Planned to be developed and tested			Start mass production		Planned to be operated
Upgraded Type-12 SSM (Air-launched)	Planned to be developed and tested					Planned to be operated
Submarine-launched Missile	Planned to be developed and tested			Start mass production		
New Surface-to-Ship and Surface-to-Surface Precision Guided Missile			Planned to be developed and tested			
Hyper Velocity Gliding Projectile	Planned to be developed and tested			Start mass production	Planned to be deployed	
Hypersonic Missile	Planned to be developed and tested				Start mass production	

◆ Cross-domain Operation Capabilities (Ground Domain)

【Reorganization into 15th Division (tentative name)】

○ Reorganize 15th Brigade into 15th Division with the establishment of a new infantry regiment and etc. in order to reinforce the defense architecture in the southwestern region of Japan.



*All names are tentative

◆ Cross-domain Operation Capabilities (Space Domain)

【Reorganization into Air and Space Self-Defense Force (tentative name)】

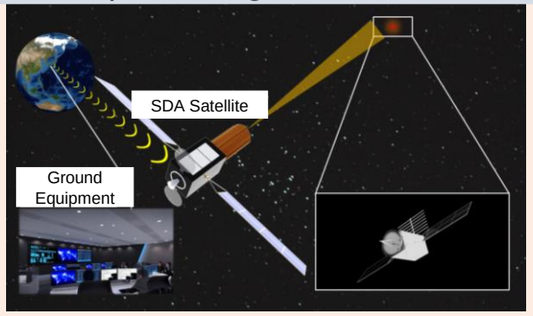
Initiatives related to Space Domain by ASDF in FY2026

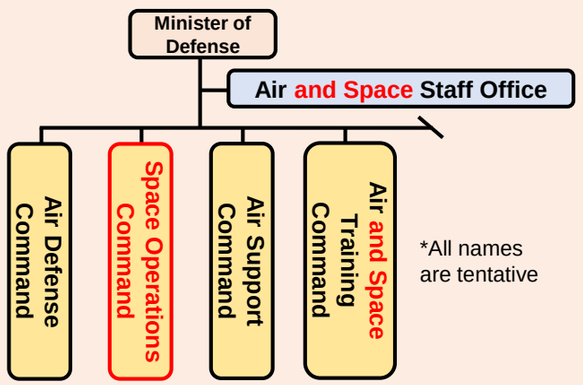
- **Establishment of Space Operations Command (tentative name)**
- **Launch of SDA satellite**
- **Enhanced SDA capabilities enables full-scale operation of "capabilities to disrupt C4I"**

*SDA：Space Domain Awareness

Reorganize Air Self-Defense Force into Air and Space Self-Defense Force (tentative name)

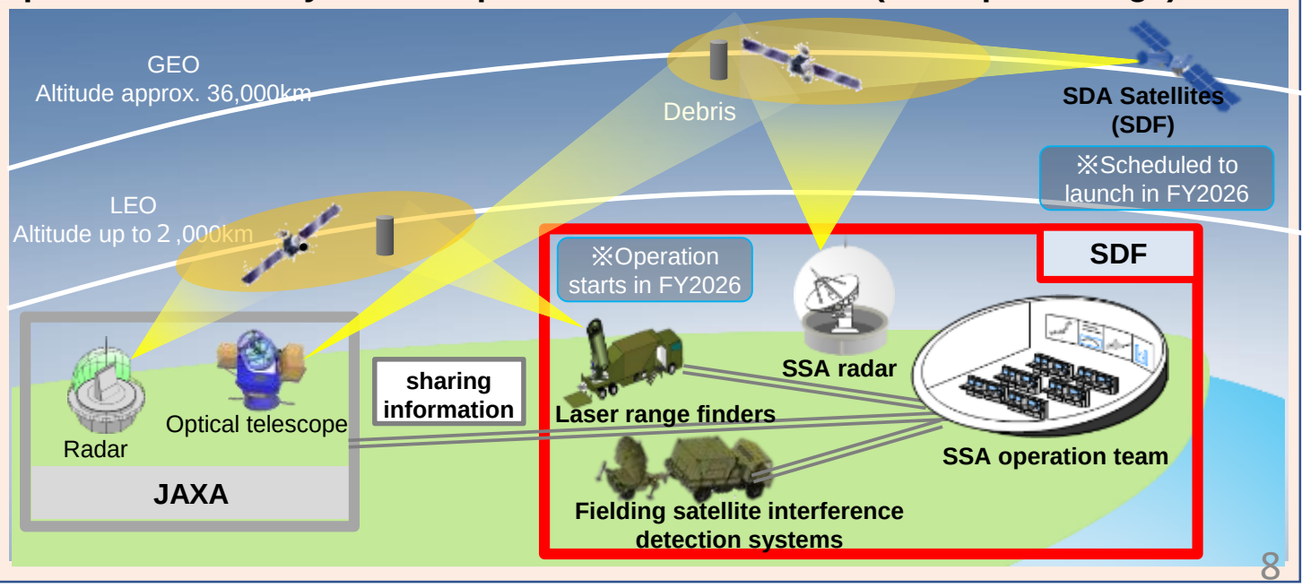
Conceptual Image of SDA satellite





*All names are tentative

Operation of SDA by Air and Space Self-Defense Force (conceptual image)



FY2026 Budget ~Key Points~

◆ Cross-domain Operation Capabilities (Space Domain)

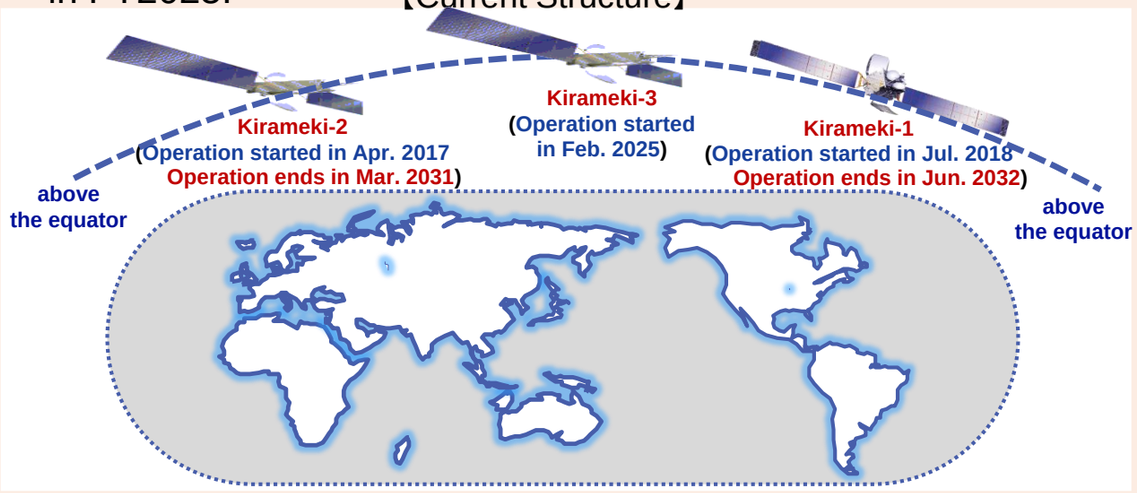
【Development of Next-Generation Defense Communication Satellite】(¥88.2 billion)

Note: Amounts are on a contract basis

○ As the successor to the currently operating X-band defense communication satellite (Kirameki), next-generation defense communication satellite with improved communication capabilities will be acquired.

○ The production of the successor to Kirameki-1 will start in FY2026, and the ground equipment will be acquired for the launch of the successor to Kirameki-2, whose production starts in FY2025.

【Current Structure】



Next-Generation Defense Communication Satellite (conceptual image)

FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Kirameki-2						End of operation	
Kirameki-1							End of operation
Design and manufacturing of the next-generation defense communication satellite (the successor to Kirameki-2)					Transportation testing	Launch	
Manufacturing of the next-generation defense communication satellite (successor to Kirameki-1) (#1) (¥31.9 billion)					Transportation testing	Launch	
Acquisition of ground equipment (¥56.2 billion)							

* All schedules after FY2026 are tentative.
* Totals are rounded off and may not match totals.

◆ Mobile Deployment Capabilities / Civil Protection

【Utilization of Civilian Maritime Transport Capabilities】(2 vessels: ¥11 billion)

Note: Amounts are on a contract basis

○ Procure PFI vessels mainly specializing in transportation of supplies (containers) in order to complement maritime transport capabilities to transport units to islands in the southwestern region.

* PFI (Private Finance Initiative)：A contracting method in which private funds, management capabilities, and technical competence are used to construct, maintain, manage, and operate public facilities.

	FY2024	FY2025	FY2026	FY2027	FY2028～
2 PFI vessels (for passengers)	contract	modification	start of operations (Jan 2026～)		
4 PFI vessels (for cargo)		contract	modification	start of operations (Jan 2027～)	
2 PFI vessels (for containers)			contract	modification	start of operations (Jan 2028～)

* All schedules after FY2026 are tentative

◆ Defense Production and Technology Base

【Development of the Next-Generation Fighter Aircraft】(¥160.2 billion)

Note: Amounts are on a contract basis

○ The development of the Next-Generation Fighter Aircraft, started in FY2020, is planned to be transferred to GIGO (GCAP International Government Organisation), which will be established trilaterally by Japan, the United Kingdom and Italy.

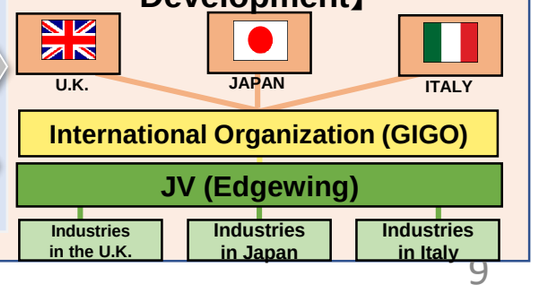
○ From FY2025, design work and others such as airframe and engine design, which have been carried out by the three countries, respectively, will be centralized in GIGO under close cooperation between them.

○ In parallel, Japan is planning to conduct conceptual design of UAVs to be collaborating with the Next-Generation Fighter Aircraft.

FY2024	FY2025	FY2026	～	FY2035
★ Establishment of GIGO			Completion of Development ★	
Next-Generation Fighter Aircraft				
UAVs which will collaborate with the Next-Generation Fighter Aircraft				

* All schedules after FY2026 are tentative.

【Structure of International Joint Development】



FY2026 Budget ~Key Points~

Fundamental Reinforcement of Human Resource Base

◆ Initiatives for the Fundamental Reinforcement of Human Resource Base

While Japan is facing the most severe and complex security environment since the end of World War II, to truly realize the fundamental reinforcement of defense capabilities, it is essential to stably secure outstanding SDF personnel. The MOD has decided to allocate ¥581.4 billion for related projects in the FY2026 budget based on the "Basic Policy on Improving the Treatment and Working Environments and Establishing New Lifetime Career Plans of Self-Defense Force Personnel."

Note: Amounts are on a contract basis, but "Improvement of treatment for SDF personnel" and "Improvement of living and working environments" include personnel expenses for allowances.

1. Improvement of Treatment for SDF Personnel

○ Improvement of treatment for SDF personnel engaged in special operations of training, exercises and maintenance of defense equipment

○ Improvement of treatment for GSDF personnel working at frontline of northern Japan (northern and eastern part of Hokkaido) when engaged in exercises and other duties under severe environment

○ Improvement of treatment for SDF specialists, such as officers of military police, engaged in investigations and other duties overseas

2. Improvement of Living and Working Environments for SDF Personnel

○ Partial outsourcing of moored vessel operations

○ Implementation of temporary childcare services

○ Installation of touchless sanitary bins at camps and bases where a lot of female SDF personnel works

3. Establishment of New Lifetime Career Plans

○ Review of Compensation for Retirees under Young-Age Retirement such as raise of the amount

○ Development of systems for re-employment support until age of 65

4. Other Initiatives

○ Establishment of a new section responsible for verifying the effectiveness of policies related to the Fundamental Reinforcement of the Human Resource Base within the Bureau of Personnel and Education

FY2026 Budget ~Major Projects~

(Note)
・Blue texts indicate new programs.
・All the amounts are contract-based.

Stand-off Defense Capabilities – Approx. ¥973 billion

(Approx. ¥973 billion excluding other areas)

➢**In order to defend Japan's territory, spanning over 3,000km, the MOD will fundamentally strengthen its stand-off defense capabilities to enable diverse responses from outside of the threat zone of anti-air missiles, etc. against vessels and landing forces attempting to invade the territory including remote islands.**

Domestic Stand-off Missiles

○ Acquisition of Upgraded Type-12 SSM (Surface-launched Variant) and its ground equipment (¥177 billion)

○ Acquisition of Upgraded Type-12 SSM (Ship-launched Variant) (¥35.7 billion)

○ Acquisition of Submarine-launched Missile (¥16 billion)

○ Acquisition of Hyper Velocity Gliding Projectile (HVGP) and its ground equipment (¥38.7 billion)

○ Acquisition of Hypersonic Missiles and its ground equipment (¥30.1 billion)
Acquire missiles that make interception difficult by flying at hypersonic speed (beyond Mach 5).

Upgraded Type-12 SSM (Surface-launched Variant) (conceptual image)

HVGP (conceptual image)

Hypersonic Missile (conceptual image)

JSM (conceptual image)

JASSM (conceptual image)

Foreign Stand-off Missiles

○ Acquisition of JSM (¥3.6 billion) and JASSM (¥1.7 billion)
* JSM: Joint Strike Missile (equipped in F-35A)
JASSM: Joint Air-to-Surface Stand-off Missile (equipped in Upgraded F-15)

○ Equipping vessels with Tomahawk-launching functions (¥1.2 billion)

Tomahawk launch (conceptual image)

FY2026 Budget ~Major Projects~

Integrated Air and Missile Defense Capabilities – Approx. ¥509 billion

(Approx. ¥509 billion excluding other areas)

- **It is critical to effectively respond to increasingly diverse and complex airborne threats such as missiles and aircraft.**
- **Improving detect and track capabilities, achieving effective response through networking, and enhancing intercept capabilities are necessary.**

Strengthening Interception Assets

○ Related expenses for Aegis System Equipped Vessel (ASEV) (¥79.7 billion)
Allocate expenses related to preparations for various tests

Aegis System Equipped Vessel
(conceptual image)

○ Modification of Patriot System (¥7.7 billion)
Initiate the upgrade to enhance the capability to intercept ballistic missiles

○ Upgrade of Type 03 Medium-Range Surface-to-Air Missile (modified) (¥5.1 billion)
Plan to install anti-ballistic missile capability and etc. on the existing Type 03 Medium-Range Surface-to-Air Missile (modified).

Upgraded Type 03 Medium-Range Surface-to-Air Missile (modified) (conceptual image)

○ Acquisition of Interceptors
SM-3 Block IIA (¥72.3 billion), SM-6 (¥10.7 billion)

SM-3 Block IIA
(conceptual image)

Strengthening Sensors and Networks

○ Strengthening Warning/Control Capabilities

- Upgrades of FPS-5 (¥1.9 billion) and FPS-7 (¥500 million)
- Replacement of FPS-3 into FPS-7 (¥4.7 billion)
- Development of the Next-generation JADGE (tentative name) (¥54.7 billion)

FPS-5

FPS-7

Next-generation JADGE (tentative name)
(conceptual image)

FY2026 Budget ~Major Projects~

Unmanned Defense Capabilities – Approx. ¥277.3 billion

(Approx. ¥277.3 billion excluding other areas)

➢ **Using unmanned assets can gain asymmetrical superiority in the air, on the ground, water, and underwater while minimizing human loss by streamlining tasks that have traditionally been handled by manned equipment and enabling new operations by unmanned assets.**

○ Establishment of Synchronized, Hybrid, Integrated and Enhanced Littoral Defense [SHIELD] by unmanned assets (¥100.1 billion) [reprint]

○ Acquisition of UAVs (wide-range) (5 units: ¥11.1 billion)
Acquire UAV that is able to collect information for commanders‘ decisions and firepower projection by detecting surface combatants early from a long distance.

○ Acquisition of shore and underwater obstacles detective UAVs (3 units: ¥500 million)
Acquire shore and underwater obstacles detective UAVs that can contribute to amphibious operations by rapidly collecting information of obstacles at the shoreline including submarine topography.

○ Acquisition of long-endurance UAVs “MQ-9B (Sea Guardian)” (¥76.5 billion)
Acquire long-endurance UAVs and utilize external resources for early introduction to strengthen intelligence and surveillance capabilities while minimizing human loss.
* Allocate expenses for the acquisition of four vehicles and ground control station, etc.

Long Endurance UAV
(“MQ-9B (Sea Guardian)”)

○ Outsourcing test flight for the potential use of long-endurance UAVs for airspace intrusion countermeasures (¥1.1 billion)
Conduct test flight for the potential use of long-endurance UAVs by utilizing the early introduction of MSDF’s MQ-9B program in order to improve the effectiveness of airspace intrusion countermeasures.

○ Acquisition of UAVs designed for collecting target information, etc. (¥1.8 billion)
Acquire repairment, transport of assets and training system as a comprehensive set of services, in addition to the acquirement of four UAVs designed for collecting target information, etc.

UAV Designed for
Collecting Target Information
(conceptual image)

FY2026 Budget ~Major Projects~

Cross-domain Operation Capabilities

➢ **In addition to the ground, maritime, and air domains, it is necessary to fundamentally strengthen capabilities in combination of space (information gathering functions through the use of satellites, etc.), cyber (security measures, etc.), and electromagnetic domains (electronic warfare capabilities, etc.) in order to ensure asymmetrical superiority.**

【Space Domain】 – Approx. ¥174 billion (Approx. ¥135.2 billion excluding other areas)

➢ The space domain is now the foundation of our daily lives and security, and it is extremely important for Japan to ensure superiority in space use. For this reason, it is necessary to strengthen space operation capabilities including information gathering and other capabilities which leverage the space domain.

○ Fielding of equipment for the multilateral satellite communications bandwidth sharing system (PATS) (¥8.7 billion)
In line with participation in PATS, develop satellite communications equipment that can be connected to PATS and is compatible with next-generation defense communications satellites.
* PATS: Protected Anti-Jam Tactical SATCOM

○ Development of next-generation defense communications satellite (¥88.2 billion) [reprint]

○ Development of commercial LEO satellite communication equipment (¥1.1 billion)
Equip and utilize facilities necessary for commercial LEO satellite communications used as a supplement for official communications on surface vessels in order to secure the required satellite communications bandwidth.

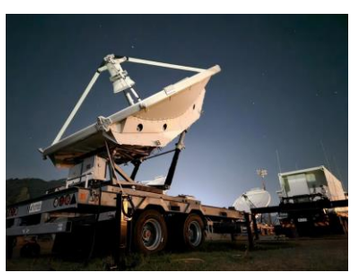
○ Development of the demonstration satellite for the next-generation defense technologies (¥6.9 billion)
Develop demonstration satellite for the next-generation defense technologies, including thermal control technology for advanced satellite mission equipment and optical communications.

○ Fielding satellite interference detection systems (¥1.1 billion)
Acquire equipment to monitor electromagnetic interference affecting Japan’s satellites.

○ Reorganization into Air and Space Self-Defense Force (tentative name) [reprint]

○ Establishment of Space Operations Command (tentative name) [reprint]

○ Establishment of the Division in charge of space (tentative name) in Bureau of Defense Buildup Planning



Fielding Satellite Interference Detection Systems

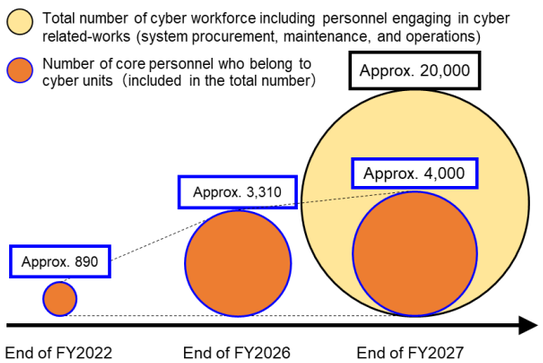
FY2026 Budget ~Major Projects~

【Cyber Domain】 – Approx. ¥233.1 billion (Approx. ¥230.6 billion excluding other areas)

➢ It is essential to acquire far-reaching response capabilities against increasingly advanced and sophisticated cyber attacks, establish a posture to assure the SDF's ability to perform its mission, and uplift cyber defense in the defense industry.

Implementation of Risk Management Framework (RMF) (¥22.1 billion)

○ By shifting its concept from transient "risk elimination" to continuous "risk management", the MOD will continue to implement the Risk Management Framework (RMF) in which risks are analyzed, assessed, and appropriately managed on a continuous basis even after the information systems start operating.



Protection of Information Systems

○ Development of Decision Support System (DSS) in the cyber domain (¥3.9 billion)
Develop DSS utilizing AI in order to more quickly and accurately grasp the situation and respond to cyber attacks, etc.

Enhancement of Education and Research Functions in Cyber Field

○ Securing external human resources that support the MOD/SDF's cyber-related tasks (¥40 million)
Secure support for the MOD/SDF's cyber-related tasks by external cyber workforce that possesses both the intent and capability to contribute to national defense.

【Electromagnetic Spectrum Domain】

➢ Due to the expansion of the use and application of electromagnetics in its range and purpose covering land, sea, air, outer space and cyber space, the electromagnetic spectrum is now the front line of offense and defense in modern combat. In light of this situation, securing superiority in the domain of electromagnetic spectrum is an urgent issue.

Communication and Radar Jamming Capabilities

Improve capabilities of electronic jamming to minimize/neutralize adversary's communication and detection systems.

○ Acquisition of Type-24 Counter Air Electronic Warfare System (2 sets: ¥5.2 billion)

EW Support Capabilities

Improve capabilities to gather electromagnetic information necessary for electronic jamming and electronic protection.

○ Acquisition of Signals Intelligence Aircraft (RC-2) (1 aircraft: ¥50.3 billion)

Signals Intelligence Aircraft (RC-2)

Response to Small UAVs

Promote research on directed-energy technologies such as high-energy laser and high-power microwave.

○ Research on laser systems to respond against missiles (¥1 billion)
Research on technologies for achieving megawatt class laser system with high-efficient beam focusing laser technologies and target tracking technologies, which is capable of delivering more than 10 times the normal output of the counter-drone laser systems.

FY2026 Budget ~Major Projects~

【Ground/Maritime/Air Domains】 – Approx. ¥992.9 billion (Approx. ¥990.6 billion excluding other areas)

○ Acquisition of common tactical wheeled vehicles with a standardized body in order to flexibly respond to invading forces
- Type-24 120mm Maneuver Mortar Combat Vehicle (8 units: ¥9.5 billion)
- Type-25 Reconnaissance and Combat Vehicle (18 units: ¥27.6 billion)

Type-24 120mm Maneuver Mortar Combat Vehicle

○ Multi-Purpose Missile System Kai (MPMS Kai) and its ground equipment (11 units: ¥24.2 billion)
Respond to landing forces invading Japan as a successor to Type-96 Multi-Purpose Missile System

Type-25 Reconnaissance and Combat Vehicle

○ Building of New FFM (1 vessel: ¥104.3 billion)

Multi-Purpose Missile System Kai (conceptual image)

○ Building of Patrol Vessel (2 vessels: ¥28.5 billion)

○ Building of Submarine (1 vessel: ¥120.8 billion)

○ Building of Minesweeper (1 vessel: ¥34 billion)

New FFM (conceptual image)

Patrol vessel (conceptual image)

○ Acquisition of fixed-wing patrol aircraft (P-1) (1 aircraft: ¥46 billion)

○ Acquisition of patrol helicopter (SH-60L) (3 aircraft: ¥43 billion)

Taigei-class submarine

Patrol helicopter (SH-60L)

○ Acquisition of fighter aircraft (F-35A) (8 aircraft: ¥149.3 billion)

○ Acquisition of fighter aircraft (F-35B) (3 aircraft: ¥72.5 billion)

Fighter aircraft (F-35A)

Fighter aircraft (F-35B)

○ Upgrade of fighter aircraft (F-2) (9 aircraft: ¥9.7 billion)

FY2026 Budget ~Major Projects~

Command and Control / Intelligence-related Functions– Approx. ¥516.6 billion

(Approx. ¥364.4 billion excluding other areas)

- **Swift and reliable command-and-control requires the ability to share information in real time through resilient networks.**
- **It is necessary to establish a robust information-gathering posture by constantly grasping military trends in the areas surrounding Japan, as well as fundamentally reinforcing intelligence capabilities to respond to integrated information warfare including those in the cognitive dimension, etc. as seen in Russia's aggression against Ukraine.**

Enhancement of Command and Control Functions

○ Demonstration experiment of New Defense Information Infrastructure (tentative name) (¥900 million)

Conduct research and demonstration experiment on various technology for New Defense Information Infrastructure (tentative name) based on the "Next-Generation Information and Communication Strategy of the Ministry of Defense."

○ Construction of the MOD Cloud (¥67.6 billion)

Strengthen information-sharing functions and develop the MOD Cloud to enable unified command and control of each SDF service, while securing a unified security system.

○ Development of regional bases of the MOD Cloud (¥18.1 billion)

Establish regional bases equipped with edge computing technologies to ensure usability and resiliency.

○ Construction of GSDF AI foundation (¥2.5 billion)

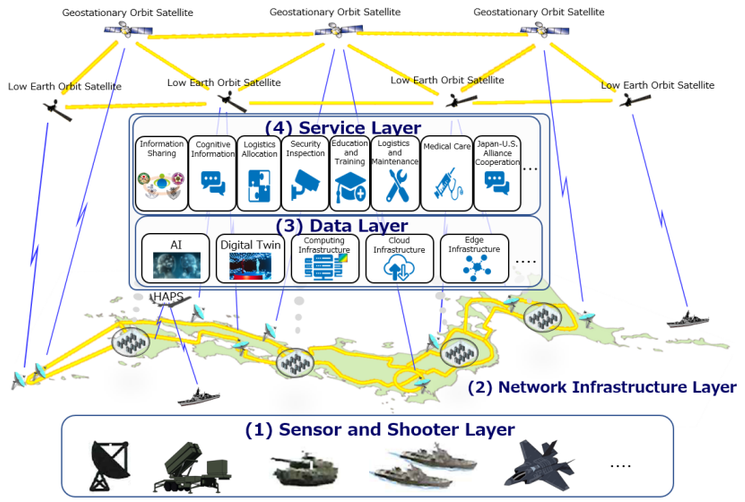
Construct a foundation to utilize AI in the GSDF closed cloud system for faster and more accurate information and control.

Strengthening of Intelligence Collection and Analysis Functions

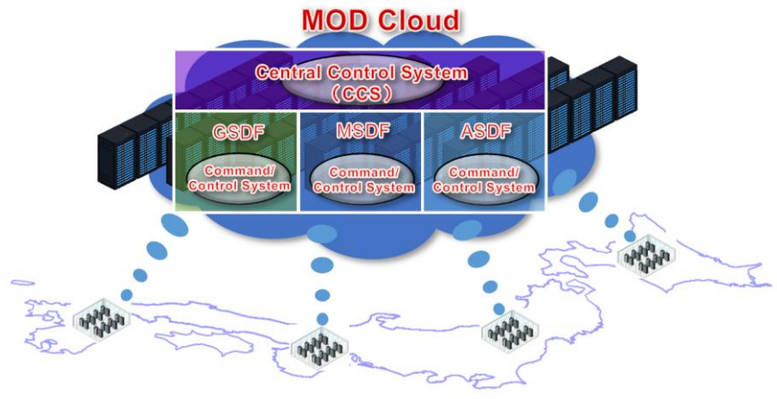
○ Increase of Defense Attachés (1 personnel each)

Add：the United States (Sergeant Major (GSDF)), Indonesia (Lieutenant Colonel (GSDF)), Turkey (Major (GSDF))

Assign senior：the United Kingdom (Major (GSDF)→Lieutenant Colonel (GSDF))



Demonstration experiment of
New Defense Information Infrastructure (tentative name)
(conceptual image)



Construction of MOD Cloud
(conceptual image)

FY2026 Budget ~Major Projects~

Mobile Deployment Capabilities / Civil Protection – Approx. ¥192.4 billion

(Approx. ¥192.4 billion excluding other areas)

➢ **Given the geographical characteristics of Japan, it is necessary to build capabilities to rapidly deploy units, as well as to set up the necessary foundation for the deployment. In addition, the MOD/SDF will strengthen transportation capabilities by acquiring various transport assets.**

Promotion of Acquiring Mobile Deployment Transport Assets

◯ Acquisition of aerial refueling and transport aircraft (KC-46A) (2 units: ¥87.7 billion)
Acquire aerial refueling and transport aircraft so that fighter aircraft can combat persistently in vast airspace, such as the southwestern region

Aerial refueling and transport aircraft (KC-46A)

◯ Acquisition of utility helicopters (UH-2) (8 units: ¥37.1 billion)
Acquire utility helicopters with enhanced air mobility and air transport capabilities as a successor to UH-1J

Utility helicopter (UH-2)

Utilization of Private Maritime Transport Services

◯ Utilization of civilian transportation services (2 vessels: ¥11 billion) [reprint]
Utilize private vessels specializing in transportation of supplies (containers) in order to complement maritime transport capabilities to transport units to islands in the southwestern region (PFI method)

* PFI (Private Finance Initiative)：A contracting method in which private funds, management capabilities, and technical competence are used to construct, maintain, manage, and operate public facilities.

FY2026 Budget ~Major Projects~

Sustainability and Resiliency

➢ **In order to facilitate the operations of the SDF, it is important to secure ammunitions and fuel, increase the number of operationally available equipment items (resolve the shortage of spare parts), improve resiliency of defense facilities (construct facilities for new units), and enhance operational infrastructures (strengthen production capacities).**

【Securing Ammunitions】– Approx. ¥907.5 billion (Approx. ¥255.3 billion excluding other areas)

○ Acquisition of ammunitions and missiles

155mm High Explosive Shell, Type-23 Ship-to-Air Missile, Type-23 Air-to-Ship Missile, Medium-Range Air-to-Air Missile (AIM-120), Medium-Range Air-to-Air Missile (AAM-4B), etc.

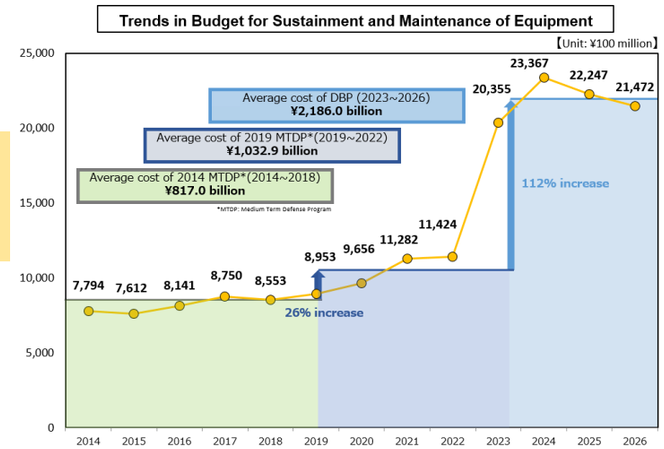
○ Buildup the domestic infrastructure base for AIM-120 (¥300 million)

Initiate the basic consideration for buildup of the domestic production base for AIM-120

【Sustainment and Maintenance of Defense Equipment】 – Approx. ¥2.124 trillion (Approx. ¥1.741 trillion excluding other areas)

○ Research on the utilization of Additive Manufacturing (3D Printing) (¥300 million)

Conduct research on the utilization of 3D printing, including quality verification, in order to increase the number of operationally available equipment items and achieve stable and planned acquisition.



【Improving Resiliency of Defense Facilities】 – Approx. ¥886.2 billion (Approx. ¥878.4 billion excluding other areas)

○ Renovation of existing facilities (¥436.8 billion) / Underground installation of main headquarters, etc. (¥23.1 billion)

○ Construction of ammunition depots (¥67.2 billion)

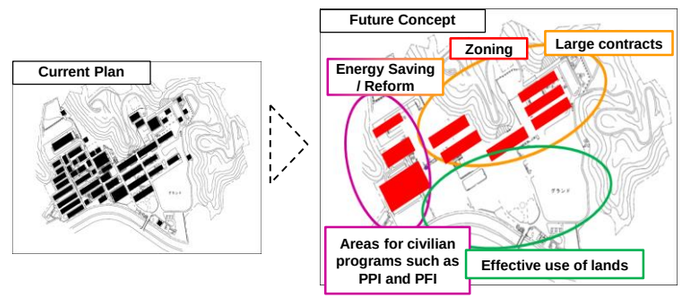
Construct necessary facilities including depots in preparation for the acquisition of various ammunitions.

○ Construction of facilities associated with establishment of new units / Introduction of new equipment (¥341.1 billion)

- GSDF：Facility development for the Logistics Support School (tentative name) (¥5.1 billion)
- MSDF：Facility development in Sasebo area (Sakibe-East District) (¥18.3 billion)
- ASDF：Facility development for deploying F-35 (¥65.4 billion)
- Development of a multifunctional integrated defense base in the Kure area (¥600 million)

○ Introduction of counter-drone equipment (¥78 billion)

To enhance security capabilities for SDF bases, the MOD will field higher-quality equipment that is capable of detecting, identifying, and countering illegal drones.



Relocation and integration of existing bases (conceptual image)

Facility for F-35 (conceptual image)

Sakibe-East District (conceptual image)

FY2026 Budget ~Major Projects~

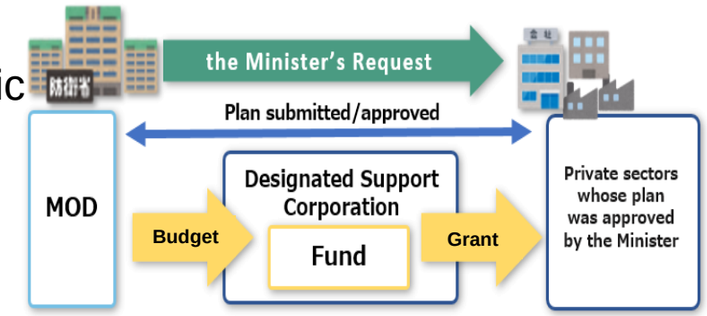
Reinforcement of Defense Production Base – Approx. ¥95.7 billion

(Approx. ¥67.8 billion excluding other areas)

- **As a part of our defense buildup, the MOD will fundamentally reinforce and maintain its defense production and technology bases as a virtually integral part of defense capability itself and build robust and sustainable defense industry by expediting countermeasures against various risks, as well as expanding the market for the defense industry.**

Grounding Initiatives for Reinforcement of Defense Production Base (¥30.4 billion)

Reinforce supply chain resilience and improve manufacturing process efficiency, and other related initiatives to provide companies with readiness for various risks concerning steady acquisition of defense equipment from the viewpoint of maintaining and strengthening domestic defense production and technology bases, as a measure to enhance the base, outlined in the Act on Enhancing Defense Production and Technology Bases.



Budget for the Fund to Facilitate Defense Equipment Transfer (¥40 billion)

In order to conduct appropriate equipment transfer from the perspective of national security, the MOD budgets the fund to allocate grants to companies when they are requested by the Minister of Defense to adjust specifications and performance of the equipment to be transferred.

Feasibility studies for overseas transfer of defense equipment (¥200 million)

Investigate the potential needs of target countries in cooperation with private sectors in order to work on proposals for transfer of defense equipment.

Displays at defense equipment exhibitions (¥400 million)

Participate in international defense equipment exhibitions to promote defense equipment developed in Japan and superior technologies of Japanese Small and Medium-sized Enterprises (SMEs).

ATLA booth
"DSEI JAPAN 2025" (Japan)

Securing human resources for technical research positions (¥40 million)

Utilize the SDF Scholarship Program* to secure excellent human resources at an early stage.

* A scholarship loan program for students who intend to serve in the SDF in the future.

FY2026 Budget ~Major Projects~

Research and Development – Approx. ¥709.5 billion

(Approx. ¥290.7 billion excluding other areas)

➢ **The MOD has incorporated a wide range of civilian advanced technologies including dual-use technologies in order to ensure technological superiority in the future and realize advanced capabilities ahead of other countries because technology gaps are critical for the outcome of warfare. In addition, the MOD will realize defense innovation by intensively investing in technologies which can be directly used for defense purpose and by boldly facing challenges for unknown technical fields in collaboration with other ministries and establish defense ecosystem which can return outcomes from defense investment to our society.**

Reinforcement of Foundations for Defense Innovations and Innovative Equipment

○ Innovative Science & Technology Initiative for Security (¥12.9 billion)

Promote the “Innovative Science & Technology Initiative for Security” program in which the Acquisition, Technology & Logistics Agency (ATLA) publicly seeks basic researches on innovative and emerging technologies to external institutions including universities.

○ Breakthrough Research (¥23.7 billion)

Conduct challenging research under free and innovative ideas of program managers hired from outside the MOD and also research aimed for creating outcomes through early incorporation of civilian advanced technology in order to create functions and technologies that will strengthen the defense capabilities or lead to social innovation.

○ Advanced Technology Bridging Research (¥14.1 billion)

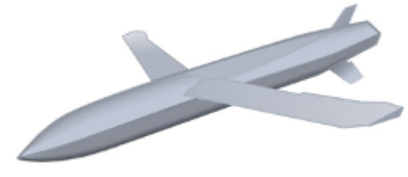
Bring innovative and cutting-edge technologies obtained through civilian sectors and government investment in science and technology starting with "the Innovative Science & Technology Initiative for Security" to future defense equipment and other applications.

Stand-off Defense Capabilities

○ Development of New Surface-to-Ship and Surface-to-Surface Precision Guided Missiles (¥41.3 billion)

Continue to research on new surface-to-ship and surface-to-surface precision guided missiles with improved long-range flying performance and precision guidance performance.

○ Research on Hypersonic Missiles (¥73.2 billion)



New Surface-to-Ship and Surface-to-Surface Precision Guided Missiles (conceptual image)

Response Capabilities against HGVs (Integrated Air and Missile Defense Capabilities)

○ Japan-U.S. Joint Development of GPI (¥52.8 billion)

Continue Japan-U.S. joint development of guided missile for intercepting hypersonic glide vehicles (HGVs) in glide phase.

* HGV：Hypersonic Glide Vehicle　　* GPI：Glide Phase Interceptor

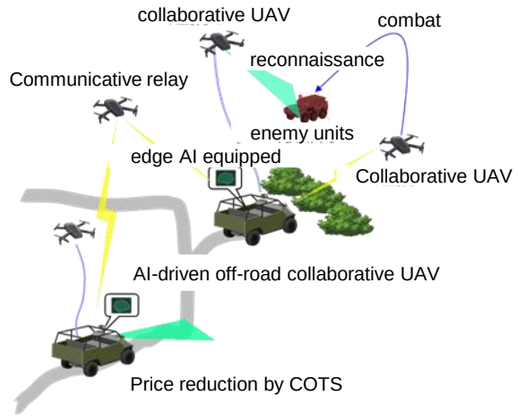
FY2026 Budget ~Major Projects~

Counter-Drone/Swarm Attack Capabilities (Integrated Air and Missile Defense Capabilities)

○ Research on High-power Microwave (HPM) (¥1.3 billion)

Continue research on technologies to neutralize drones, etc. by HPM radiation

* HPM： High Power Microwave



AI-driven off-road UGV collaboration with UAVs (conceptual image)

Unmanned Defense Capabilities

○ Research on AI-driven off-road UGV in collaboration with UAVs (¥4.1 billion)

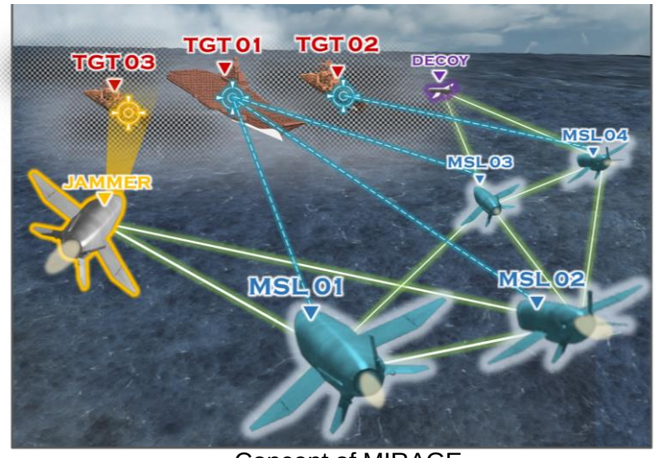
Establish UGV technology that can transport materials, conduct reconnaissance, and support combats in a vast and rough area with UAVs and edge-AI.

Next-Generation Fighter Aircraft

○ Development of next-generation fighter aircraft (¥160.2 billion) [reprint]

○ Research and Development on UAVs which will collaborate with the Next-Generation Fighter Aircraft (¥4.8 billion)

Conduct conceptual design of UAVs which utilize AI to enable autonomous situational awareness and decision-making for actions, including autonomous flight.



Concept of MIRAGE (conceptual image)

Reinforcement to Other Deterrence

○ Concept of MIRAGE (¥200 million)

MIRAGE is the concept study of controlling multiple missiles effectively to improve the effect of anti-ship dramatically using edge-AI generates flight path and etc.

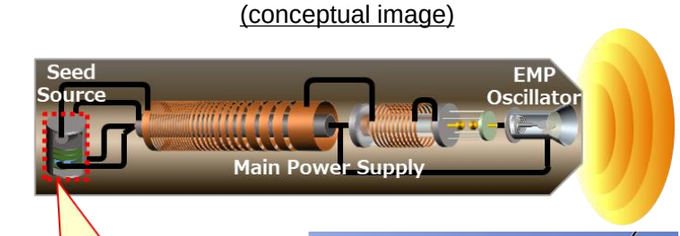
* MIRAGE： MIssile system for Resilient and Adaptive Guided-Missile Engagement

○ Research on PLASMAGIC (¥200 million)

Acquire data and tentative work of EMP's power generator (PLASMAGIC) which is theoretically expected to increase the power of EMP's warhead to be several tens of times higher than conventional technologies.

* EMP：Electro Magnetic Pulse

* PLASMAGIC：PLASMA Generator using explosIve Compression



PLASMA Generator using explosive Compression

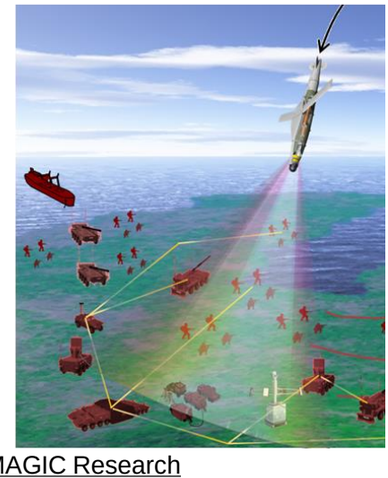


Image of PLASMAGIC Research (conceptual image)

FY2026 Budget ~Major Projects~

【Initiatives for the Utilization of AI】

- **AI has the potential to become one of the key technologies that addresses fundamental changes in security caused by rapid advances in science and technology, as well as the challenges Japan faces, such as a declining population, low birth rates, and an aging society.**
- **The MOD/SDF is prioritizing the use of AI in areas such as detection/identification of targets, intelligence collection and analysis, command and control, logistics support operations, unmanned asset, cybersecurity, and more efficient administrative works.**

Promotion of AI Utilization

○ Development of decision-making support system in the cyber domain (¥3.9 billion) [reprint]

○ Construction of the GSDF AI foundation (¥2.5 billion) [reprint]

○ Introduction of AI for the MSDF communication infrastructure (¥2 billion)
Develop the foundation of the MSDF core system to utilize AI.

○ Research on AI-driven off-road UGV in collaboration with UAVs (¥4.1 billion) [reprint]

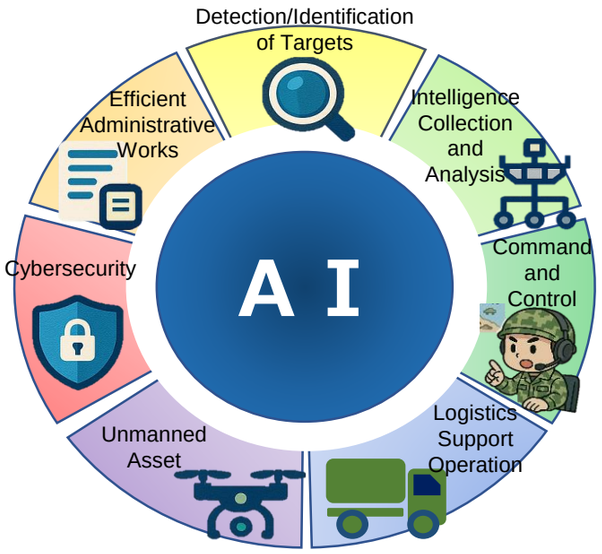
○ Reinforcement of training functions by utilizing AI (¥100 million)
Introduce AI into learning management system in order to improve the work efficiency of trainers and provide proper trainings tailored to each student.

○ Research and Development on UAVs which will collaborate with the Next-Generation Fighter Aircraft (¥4.8 billion) [reprint]

Structural Reinforcement to Promote AI Utilization

○ Utilizing external resources for the introduction of AI technologies (¥40 million)
Refer to external AI experts with high-level skills for advice on policy planning for AI adaptation and practical guidance on the development of AI application systems.

○ Training of AI workforce through AI educational courses (¥10 million)
Provide practical courses including programming especially for personnel engaging in AI-related work.



Areas of AI utilization (conceptual image)

FY2026 Budget ~Major Projects~

【Reinforcement of Human Resource Base】

➢ **In order to support the SDF in accomplishing its missions, it is necessary to promote measures including reinforcement of the SDF's human resource base (securing personnel and improving personnel treatment) and enhancement of medical functions.**

Measures to Secure Excellent Human Resources

◯ Enhancement and reinforcement of recruitment
- Reinforcement of the Provincial Cooperation Offices (¥2.5 billion)
- Expand the SDF Scholarship program in order to secure excellent human resources at an early stage. (¥100 million)
- Increase online advertisement such as PR clips and banner ads (¥1.8 billion)
- Reinforcement of PRs and advertisement for job changers (¥100 million)

◯ Review of salaries and allowances [reprint]
- Improvement of treatment for SDF personnel engaged in special operations of training, exercises and maintenance of defense equipment
- Improvement of treatment for GSDF personnel working at frontline of northern Japan (northern and eastern part of Hokkaido) when engaged in exercises and other duties under severe environment
- Improvement of treatment for SDF specialists, such as officers of military police, engaged in investigations and other duties overseas

◯ Harassment prevention measures
- Program's expansion and improvement, such as educational opportunities of all kinds, based on the recommendation of the MOD's Committee of Experts on Harassment Prevention and Measures (¥100 million)

Conceptual image of PRs and advertisement

Establishment of New Lifetime Career Plans

◯ Enhancement and reinforcement of re-employment support
- Enrich more vocational training opportunities toward re-employment (¥900 million)
- Development of systems for re-employment support until age of 65 (¥1.2 billion) [reprint]

◯ Review of Compensation for Retirees under Young-Age Retirement such as raise of the amount [reprint]
- Raise compensation amount to 100% of the salary level at retirement in accordance with the average wages following re-employment
- Introduce "performance-based pay (tentative name)", which supplies additional payments in proportion to the increase in re-employment wages in order to ease payment restrictions which could impact motivation to work for a new job
- Ease the condition from retirees who have worked "20 years continuously" to "20 years in total"

FY2026 Budget ~Major Projects~

Female Participation, Working Style Reform and Improvement of Living / Working Environments

◯ Promotion of Further Participation of Female Personnel
- Infrastructures for better educational/living/working environments of the female SDF personnel (¥10.8 billion)
- Installation of touchless sanitary bins at camps and bases where a lot of female SDF personnel works (¥50 million) [reprint]

◯ Support for Balancing Work and Life
- Implementation of temporary childcare services (¥200 million) [reprint]

◯ Construction and maintenance of living and working facilities, and provision of clothing, daily consumables and equipment
- Construction of housing for reorganizing units and ensuring readiness, and efforts to address the aging of housing (¥81.9 billion)
- Construction of barracks and other facilities (¥451.7 billion) *including promotion of further participation of female personnel
- Improvement of menus at each camp and other facilities through the use of local produce, etc. (¥5.1 billion)
- Partial outsourcing of moored vessel operations (¥90 million) [reprint]

blood bag with platelet-preserving leukocyte removal filter

【Enhancement of Medical Functions】

◯ Autonomous securing of blood supply
- Acquire equipment related to blood products including blood bag with platelet-preserving leukocyte removal filters (¥1.5 billion)

◯ Enhancement of the DCS capabilities
Acquire equipment related to enhance DCS and postoperative management for the wounded
- Repairment of medical gas systems installed on vessels (¥300 million)
  * DCS：Damage Control Surgery

◯ Enhancement of medical functions at SDF hospitals and National Defense Medical College Hospital (¥97.5 billion)
- Reconstruct facilities of the SDF Naha Hospital
- Reconstruct facilities of the SDF Fukuoka Hospital
- Reconstruct facilities of the SDF Yokosuka Hospital
- Reconstruct facilities of the National Defense Medial College Hospital

SDF Yokosuka Hospital following reconstruction work (conceptual rendering)

【Promotion of Women, Peace and Security (WPS)】

◯ Based on the MOD WPS Promotion Plan, the MOD will contribute to protecting Japanese Nationals and international peace and stability through various initiatives.

Japan-ASEAN WPS Cooperation Project (Tokyo)

FY2026 Budget ~SDF Organizational Changes~

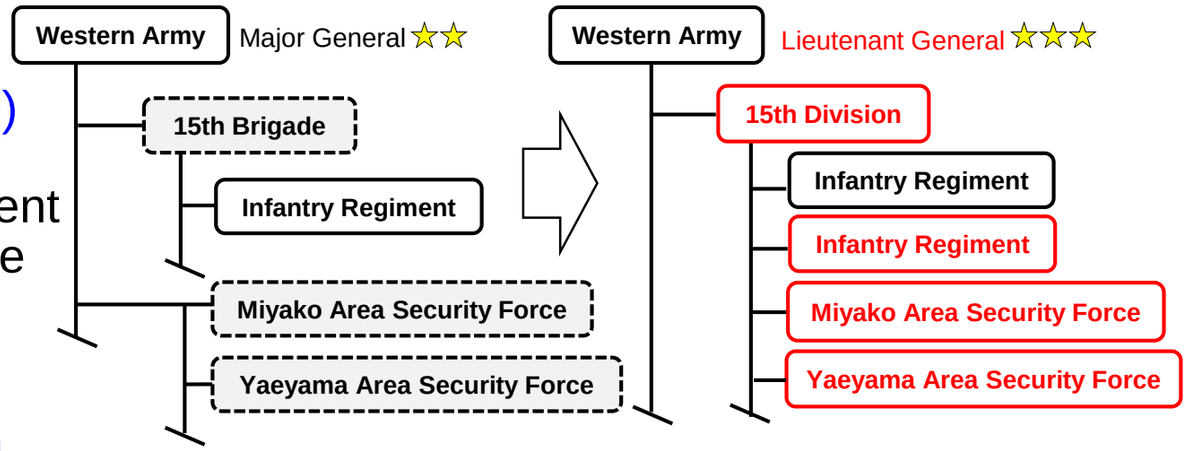
State Minister of Defense

○ To reduce the burden of crisis management on the Minister of Defense and ensure full readiness to respond to various contingencies, the number of State Ministers of Defense will be increased from one to two.

GSDF

○ Reorganize 15th Brigade into 15th Division (tentative name) [reprint]

Reorganize 15th brigade into division with the establishment of a new infantry regiment and etc. in order to reinforce the defense architecture in the southwestern region.



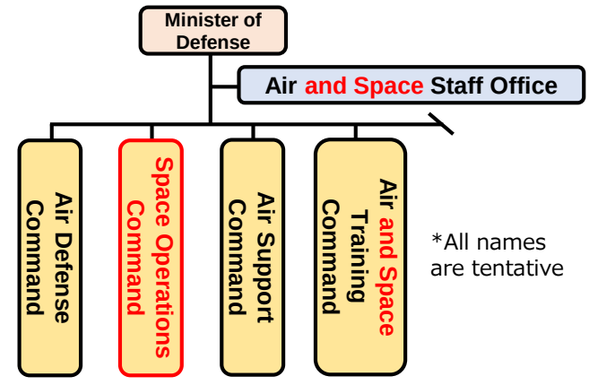
ASDF

○ Reorganize into Air and Space Self-Defense Force [reprint]

The ASDF will be reorganized into the Air and Space Self-Defense Force (tentative name) as space domain has become the domain in which ASDF conducts operational activities.

○ Establish Space Operations Command (tentative name) [reprint]

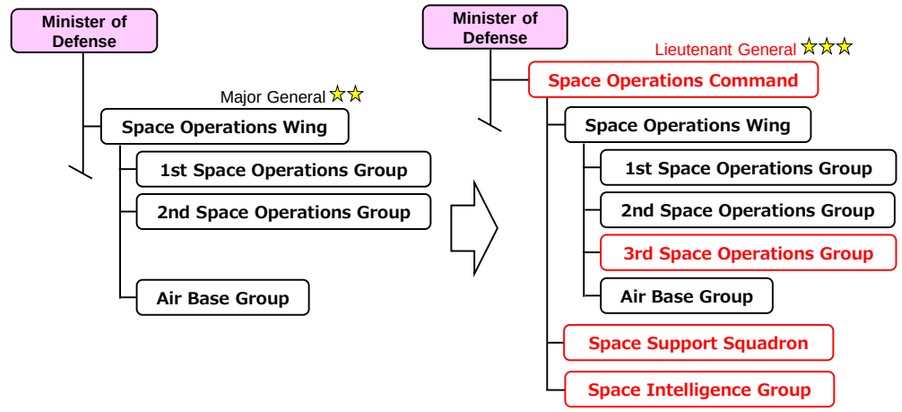
The Space Operations Command (tentative name) will be established as a dedicated unit under the leadership of a lieutenant general to reinforce space operation capabilities.



MSDF

○ Restructuring of the Inspection System

Strengthen definite check system by separating the division of procurement and inspection in light of the final report from special defense inspection on the submarine repair contract.



Others

○ Establishment of the Division in charge of space (tentative name) in Bureau of Defense Buildup Planning

○ Establish Office of Pacific Defense Concept (tentative name)

Establish the office within the Bureau of Defense Buildup Planning to conduct exclusive and cross-sectional consideration on required structure of SDF for defending Pacific side of Japan's territory.

FY2026 Budget ~Organization and Staff Request~

➢ **Secure the number of civilian officials and other necessary for steadily implementing the Defense Buildup Program (increasing the number of officials by 329; net increase of 91).**

	Category	Number of Increase	Example	
II. Major Projects Regarding SDF's Capabilities	1. Stand-off Defense Capabilities	3	Strengthening the structure for the introduction of new guided munitions.	
	3. Unmanned Defense Capabilities	6	Strengthening the supply maintenance structure in line with the introduction of new guided equipment	
	4. Cross-domain Operation Capabilities	25	Strengthening the structure for promoting various policies to enhance the defense capabilities in the space domain	Strengthening the structure in the field of cybersecurity.
	5. Command and Control/ Intelligence-related Functions	46	Strengthening the structure of intelligence services	
	6. Mobile Deployment Capabilities / Civil Protection	3	Strengthening the regional disaster response function	
	7. Sustainability and Resiliency	69	Enhancing the structure to steadily improve the resiliency of SDF facilities. Strengthening the structure for security operations through the introduction of a remote security monitoring system.	
IV. Strengthening the Japan-U.S. Alliance		9	Strengthening the structure for the return of Sasebo Ammo Supply Point (Maehata Ordnance Area)	
V. Collaboration with Like-minded Countries and Others		4	Strengthening the structure for defense cooperation in multilateral frameworks.	
VI. Elements Supporting Defense Capabilities		18	Strengthening the structure with the regulatory revision of water quality standards for PFOS and PFOA.	
IX. Defense Production and Technological Base as Virtually Integral Part of a Defense Capability		50	Strengthening the structure for the building of Australia general purpose frigates / for research and development of equipment and materials. Strengthening the structure for contract support and related functions for the Global Combat Air Programme (GCAP).	
X. Reinforcing the Foundation for SDF Personnel, to Fulfill Abilities as Core of Defense Capabilities	1. Reinforcing Human Resource Base	43	Strengthening the Human Resource Base to improve the treatment of SDF personnel.	
	2. Transformation of Medical Functions	30	Strengthening education structure for National Defense Medical College to improve the combat trauma care capabilities.	
Total		306*	*329 personnel in total by adding 23 for promoting Work-and-Life Balance.	

FY2026 Budget ~Tax System Reform~

○ **Tax Measures to Secure the Financial Resources for Fundamental Reinforcement of Defense Capabilities**

- Income Tax: From January 2027, a 1% surtax will be imposed.
  To ensure there is no increase in the burden on households at the present time, the rate of special income tax for reconstruction from the Great East Japan Earthquake will be reduced by 1%. To avoid impact on reconstruction projects, the total amount of required expenses for reconstruction will be secured by extending taxable period of special income tax for reconstruction.

○ **Expansion of Tax Deduction System for Research and Development (R&D Tax Credit System)【Corporate tax, etc.】**

(Joint Request：Ministry of Economy, Trade and Industry, Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment, and Reconstruction Agency)

- To maintain and expand private-sector R&D investment, while also promoting increased R&D investment in technology areas that are critical for Japan, an expansion and a three-year extension are applied.

○ **Expansion of tax exemption measures for the case of provision of tax-exempt diesel oil based on the Acquisition and Cross-Servicing Agreement (ACSA)【Diesel oil delivery tax】**

- As a special measure until March 31, 2027, diesel oil used by the SDF for the power source of its vessels is exempted from the diesel oil delivery tax at the time of procurement. However, when the duty-free diesel oil is transferred to a third party, the diesel oil delivery tax is imposed on the SDF.
- At present, special measures are being taken to exempt the provision of duty-free diesel oil under the ACSA with Australia, the United Kingdom, France, Canada, India, Germany, and Italy from above-mentioned taxation.
- The MOD requests to apply the special measure of the same tax exemption under the ACSA with the Philippines, Netherland, and New Zealand in order to smoothly implement cooperation between the SDF and their Armed Forces, when the ACSA, which is currently being negotiated for the conclusion, enters into force.

Initiation of consideration on securing financial resources based on the 1st mid-term plan for the implementation of national resilience

(Joint Request：Cabinet Secretariat, Cabinet Office, National Police Agency, Children and Families Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, and Ministry of the Environment)

- Relevant ministries and agencies continue to consider ways to secure financial resources based on “1st Mid-term Plan for the Implementation of National Resilience” and “Basic Policy on Economic and Fiscal Management and Reform 2025”.