



Defense Programs and Budget of Japan

Overview of FY2012 Budget Request



Ministry of Defense

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

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Contents

	Concept of FY2012 Budget Request	01
1	Effective Deterrence and Response	02
	Ensuring security of adjacent seas and airspace Response to attacks on offshore islands Response to cyber attacks Response to guerrillas and special operations force attacks Response to large-scale and special disasters Response to ballistic missile attacks	
2	Further Stabilization of Regional Security Environment in the Asia-Pacific Region	11
	Information-gathering, warning, and surveillance activities Promoting defense cooperation and exchanges with partners Promoting multilateral cooperation in the Asia-Pacific region	
3	Improving the Global Security Environment	13
	Strengthening SDF's basis for international activities Initiatives for international community efforts	
4	Promoting Structural Reforms to Improve Effectiveness of Defense Systems	14
5	Space and Information/Telecommunication Programs	15
6	Restructuring and Organizational Changes Programs	16
7	Strengthening Education and Research System	17
8	Initiatives for the Realignment of U.S. Forces in Japan	19
9	Promotion of Base Measures	20
10	Streamlining Initiatives	21
	Major equipment	22
	Defense-related expenses	28



Concept of FY2012 Budget Request

1 Faced with an increasingly severe security environment, and drawing lessons from the Great East Japan Earthquake, Japan is aiming at the solid implementation of effective and efficient defense programs towards building a dynamic defense force, in accordance with the “National Defense Program Guidelines for FY 2011 and beyond” (approved by the Cabinet on December 17, 2010) and the “Mid-Term Defense Program (FY2011-FY2015)” (approved by the Cabinet on December 17, 2010).

2 The following new roles of the defense force are emphasized as continuous initiatives:

- Effective deterrence and response
- Further stabilization of regional security environment in the Asia-Pacific region
- Improvements in the global security environment

For that matter, response capabilities to large-scale disasters and nuclear disasters will be strengthened, and emphasis will be placed on the functions applicable to wide variety of operations and functions having asymmetric response capability^{*1}, as well as non-substitutable functions^{*2}.

Japan will also improve its defense posture, placing the priority on such functions as intelligence, surveillance and reconnaissance (ISR), maritime patrol, air defense, response to ballistic missile attacks, transportation, and command, control and communications in areas including the southwestern region.

3 Amidst growing fiscal austerity, it is necessary to allocate resources selectively to truly necessary functions by carefully examining the details of the programs.

※ 1 The term “functions having asymmetric response capability” refers to the functions that can respond to the actions of one’s opponent, while maintaining superiority in an efficient and effective manner: for instance, warning and surveillance using highly covert submarines against actions of the opponent’s surface fleet

※ 2 The term “non-substitutable functions” refers to the functions, such as Ballistic Missile Defense (BMD) systems, that are absolutely necessary to sustain response capability against attacks that may cause serious damage if such functions are lost.

Notes 1: Numbers in the text represent expenses excluding initial costs required for the production of equipment, unless otherwise specified.

2: Numbers in the text are on contract basis, unless otherwise specified.

3: The words in blue letters in the text indicate new programs.

1 Effective Deterrence and Response

Japan will solidly build defense forces to ensure constant and continuous warning and surveillance activities etc. in peacetime, and a seamless response to unfolding situations.

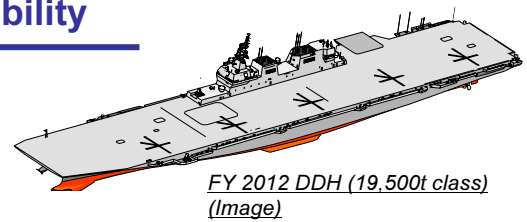
① Ensuring security of sea and air space surrounding Japan

Strengthening the defense posture for early detection of various signs by gathering information and conducting warning and surveillance activities in a constant and continuous manner in the sea and air space surrounding Japan

Enhancement of warning and surveillance capability

Building of destroyer (DDH) (1 ship: ¥119 billion)

- Build one destroyer (19,500 ton) as a replacement for the destroyer Kurama, which is scheduled to be retired in FY2016



Building of submarine (SS) (1 ship: ¥56.5 billion)

- Build one submarine (2,900 ton), which is an improved version equipped with TCM
TCM (Torpedo Counter Measures)



Life extension of destroyers (life extension construction for 2 ships and parts procurement for 6 ships: ¥8.1 billion)

- Implementing life extension measures for the Hatsuyuki-class (1 ship), Asagiri-class (4 ships*), Abukuma-class (2 ships), and Hatakaze-class (1 ship) destroyers to maintain a sufficient destroyer force

Among which, 2 ships have been targeted for life extension construction

Improvement of information sharing capability of vessels etc. (¥0.9 billion)

- Improve satellite communication capability to share target information with other vessels etc. beyond line of sight.

Development of Fixed Air Defense Radar (¥3.9 billion)

- Replace the current radar on Okino Erabu Island with FPS-7 to strengthen air control in the southwestern region

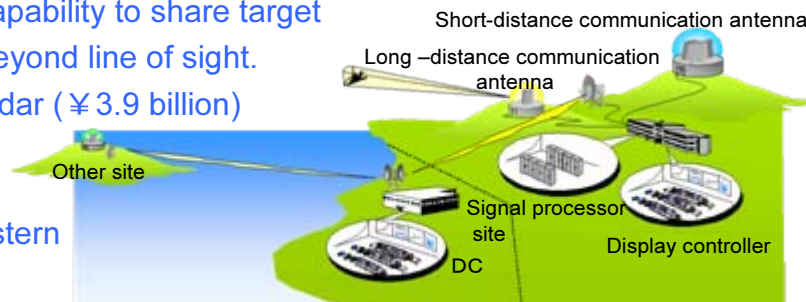


Image of Fixed Air Defense Radar in Operation

Study/research on unmanned aircraft

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

② Responses to attacks on offshore islands

In order to respond to various situations on offshore islands, Japan will carry out the following projects: improvement of information-gathering/warning and surveillance systems, enhancement of rapid deployment and response capabilities, improvement of air defense capabilities, and the development of a system necessary for ensuring the security of marine traffic.

(1) Development of information-gathering/warning and surveillance systems

Deployment of a coast observation unit etc. (Yonaguni Island)

- Acquire necessary land for deployment of a newly organized coast observation unit and a mobile aircraft control & warning squadron (GSDF/ASDF) (¥ 1.5 billion)

Development of a servicing foundation for airborne early warning systems and control aircraft (E-2C) at the Naha Air Base (ASDF) (¥ 0.2 billion)

- Acquire maintenance equipment to ensure ceaseless operation of E-2C in the southwestern region...



"Mobile 3D radar device" used for the activities of Mobile Aircraft Control and Warning Squadron

(2) Enhancement of rapid deployment and response capabilities

Improvement of proficiency of units

- Japan-U.S. Joint Exercises (JSO)
Conduct field training exercises for JSDF and U.S. forces to maintain and improve joint operational capabilities
- Field training exercises for the Army (Western Army) (GSDF)
Conduct training for coordination with MSDF and ASDF in the operation for the defense of offshore islands
- Joint field training exercises with the U.S. Marine Corps in the U.S. (GSDF)
Conduct practical exercises by sending units to the U.S. in order to improve interoperability, such as effective operation execution capability, coordination procedures for the defense of offshore islands.



Japan-U.S. Joint Exercises



Field Training Exercises of the Army



Field Training with the U.S. Marine Corps

Acquisition of type-88 surface-to-ship missile system (improved) (2 units: ¥ 5.6 billion)

- Acquire type-88 surface-to-ship missile system (improved) to enhance deterrence against attacks on offshore islands, and to improve firepower against ships.

Acquisition of transport helicopters (CH-47JA) (2 units: ¥ 10.9 billion)

Acquisition of next generation transport aircraft (C-2) (2 units: ¥ 33.3 billion)

- Acquire C-2 aircraft to enhance transport capabilities and proactively carry out missions, including international peace cooperation activities




Building of destroyer (DDH) [repost]

Implementation of studies to develop necessary facilities to increase the number of squadrons at Naha Air Base to two. (ASDF) (¥ 70 million)

(3) Improvement of air defense capabilities

Candidates for next-generation fighter

	F/A -188	F-35A	Typhoon
Type			
Developed in	U.S.A	9 countries, including U.S.A (Joint development)	U.K./Germany/Italy/Spain (Joint development)
W*H*L	Approx 14m*19m*5m	Approx 11m*16m*5m	Approx 11m*16m*5m
Thrust	22,000lbs × 2	43,000lbs × 1	20,000lbs × 2
Speed	Max M 1.8	Max M 1.6	Max M 2.0
Produced by	Boeing	Lockheed Martin	Eurofighter
Designed by			

Acquisition of new fighters

Acquisition of next-generation fighters (F-X)
(4 units: ¥ 55.1 billion)

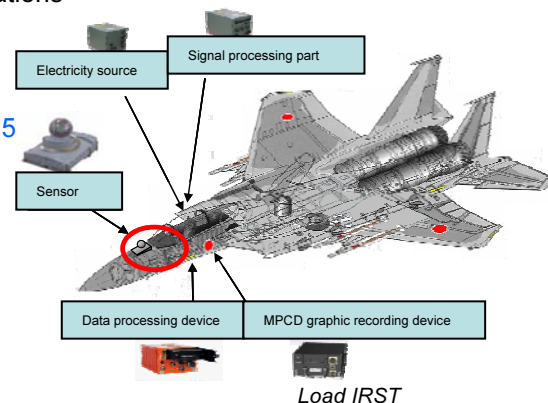
- Acquire F-X as a successor to the existing fighters (F-4) (Note 1) Source: Jane's publications and published materials, etc.
- Aircraft type to be decided by the approval of FY2012 budget

Capability enhancement of existing fighters to ensure effectiveness

Fighter upgrades

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

- Modernize F-15(2 units: ¥ 3 billion)
- Improve F-15 to load IRST (2 units: ¥ 1.4 billion)
Load IRST (Infra-red Search and Track) onto the modernized F-15 to improve air-to-air combat capabilities under electronic-warfare environment as well as adding capability to respond to the increasing number of stealth aircraft in neighboring countries.
- Improve self-defense capability of F-15 (2 units: ¥ 4.8 billion)
- Improve F-2 air-to-air combat capability (12 units: ¥ 4.1 billion)
- Add JDAM* function to F-2 (20 aircraft: ¥ 2.8 billion)



IRST (Infra-red Search and Track)
JDAM (Joint Direct Attack Munitions)

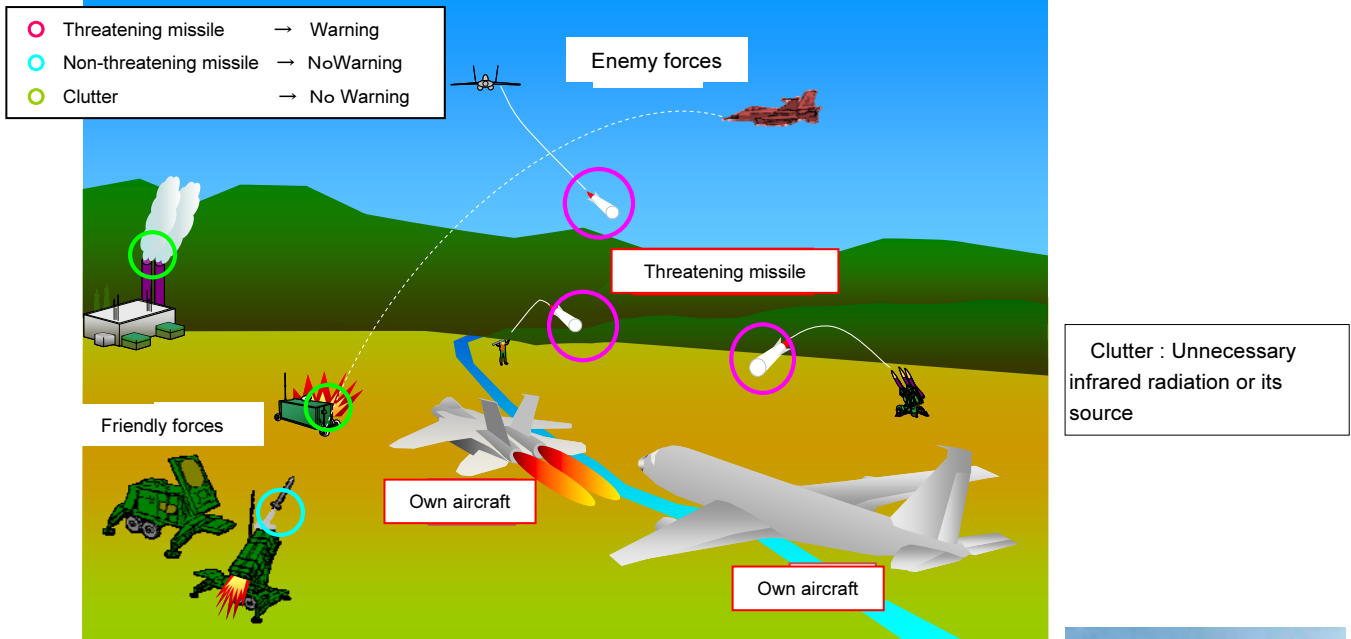
Developments to enhance fighter support capability of F-2 (¥ 3.3 billion)

- Develop a system that displays optimal bomb dropping area to lessen the tasks of the pilot when releasing a laser JDAM, hence improving the fighter support capability of F-2. In addition, upgrade the capability of the mission computer, which is required for the development of this system.

Development of future missile warning technology (¥ 2 billion)

- Conduct research on missile warning systems using infrared radiation to be mounted on various aircraft that will enable the detection of new threats, such as reduced-smoke missiles

Reduce the false warning against non-threatening missiles or clutters by sending warning against threatening missiles.



Development of future missile warning technology

Acquisition of other equipment

Patriot system upgrade (3 units: ¥ 36.2 billion)

- Upgrade the equipment system of PAC-2 of three anti-aircraft corps (old version) to enhance their air defense capabilities



Patriot system

Acquisition of type-03 medium-range surface-to-air missile (¥ 16.7 billion)

Acquisition of type-11 short-range guided surface-to-air missile (¥ 4.9 billion)

Acquisition of surface-to-air guided missile for base air defense (¥ 5.8 billion)



Surface-to-air guided missile for the base air defense (ASDF) /

Type-11 short-range guided surface-to-air missile (GSDF)

(4) Security of Sea-Lanes

Acquisition of a minesweeping and transport helicopter (MCH-101)(minesweeping version)(1 unit: ¥6.4 billion)

- For future mine countermeasure operations, acquire the minesweeping and transport helicopter MCH-101(minesweeping version) to replace to the minesweeping and transport helicopter MH-53E.

Acquisition of the patrol helicopter (SH-60K) (to replace SH-60J) (5 units: ¥28.2 billion)

Life extension of the patrol helicopter (SH-60J) (2 units: ¥1 billion)

- Life extension measures on the SH-60J in order to maintain the posture of patrol helicopters

Building of submarine and destroyer and life extension of destroyer [repost]

Development of new submarine-launched torpedo (¥3.7 billion)

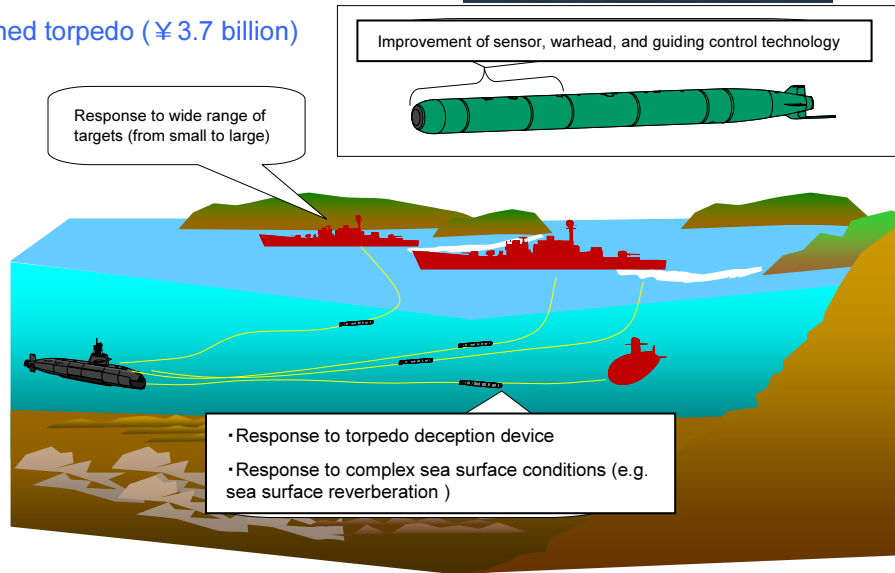
- More than 20 years have passed since the development of the existing type-89 heavy weight torpedo, and it is now difficult to respond to the advancement of torpedo deception devices and to the declined sensor detection range, due to sea surface reverberation in shallow water. New submarine-launched torpedoes will be developed to deal with this situation and to enable effective attacks against various vessels.



Minesweeping and transport helicopter MCH-101 (minesweeping version)



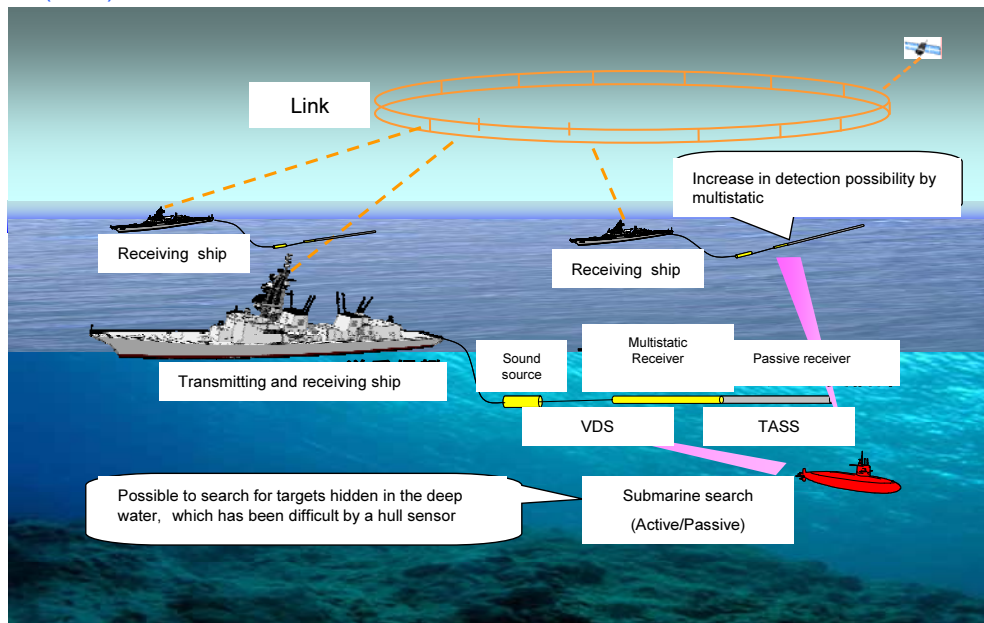
SH-60K



Development of new submarine torpedoes

Research on Variable Depth Sonar (VDS) system(¥2.2 billion)

- Seeks to improve a capability to detect submarines in the deep water, which have been difficult to carry out with the existing device, and to increase target detection possibility.⁸⁸



Research on Variable Depth Sonar (VDS) system

- 1 VDS (Variable Depth Sonar)
- 2 TASS (Towed Array Sonar System)

③ Response to cyber attacks

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

Enhancement and strengthening of cyber defense system

Strengthening of planning functions and training support functions concerning response to cyber attacks

- Strengthen cyber planning functions of the Joint Staff Office to respond to increasing threat of cyber attacks
- Strengthen training support functions of the SDFC4 (Command, Control, Communication and Computers) Systems Command in order to improve capability concerning cyber protection of each SDF group.

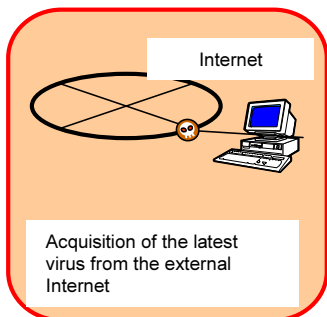
Strengthening of function for cyber warfare analysis

- Strengthen the function of the Defense Intelligence Headquarters, which exclusively collects and analyzes information concerning overseas cases of cyber attacks over the long term

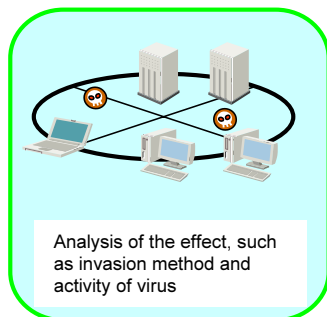
Establishment of operational framework

Strengthening of security and analysis devices for cyber defense (¥0.2 billion)

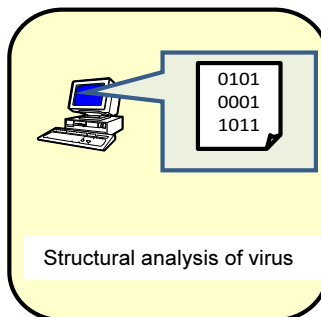
Information Collection Department



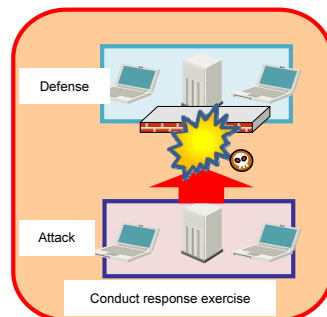
Dynamic Analysis Department



Static Analysis Department



Response Exercise Department



Device equipped with information collection, analysis and response exercise functions concerning cyber attacks

Research aimed at cyber attack response (¥20million)

- Research and study on the latest technological developments concerning information assurance

Human resource development and enhancement of partnership with other countries

Human resource development initiatives to defend against cyber attacks

- Dispatch personnel to study at Japanese and overseas graduate schools

Enhancement of partnership with the U.S.

- Participate in Japan-U.S. IT Forum



Carnegie Mellon University Software Engineering Institute



Participation in symposium hosted by the US Strategic Command

④ Response to guerillas and special operations force attacks

To rapidly and effectively respond to guerillas and special operations force attacks, further enhance readiness and maneuverability of units and improve responsive capability against attacks with nuclear, biological, and chemical weapons

Response to special operations force attacks

¥ 119.7 billion

Information gathering using small-sized UAV

Advancement and relay using small-sized UGV

Remote operation beyond visual range required for the operation in a confined space

UAV (Unmanned Air Vehicle)
UGV (Unmanned Ground Vehicle) *Remote controlled small reconnaissance system (Image)*

Warning and surveillance, information-gathering

- Warning and surveillance exercises
- Acquisition of Flying Forward Reconnaissance System (FFRS) (1 unit: ¥0.4 billion)
- Research on remote controlled small reconnaissance system (¥1.5 billion)

Search for guerillas and special operations forces, and protection of vital facilities

- Acquire light armored vehicles (101 units for GSDF: ¥3 billion, 2 units for ASDF: ¥90 million), a multi-purpose helicopter (UH-60JA), (1 unit: ¥3.7 billion) and an attack helicopter (AH-64D) (1 unit: ¥5.2 billion)

Capture and intercept invading guerillas and special operations forces

- Urban terrain combat exercises
- Acquire multi-purpose guns (7 units: ¥70 million)

Strengthening of partnership with the police

- Joint public security operation exercise with the police

Acquisition of type-10 tanks (16 units: ¥16 billion)

- Continue to acquire downsized and lightweight type-10 tanks with improved mobility and enhanced network combat capabilities, in response to the decreasing number of existing tanks



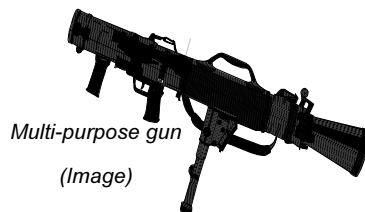
Urban terrain combat exercise



UH-60JA



AH-64D

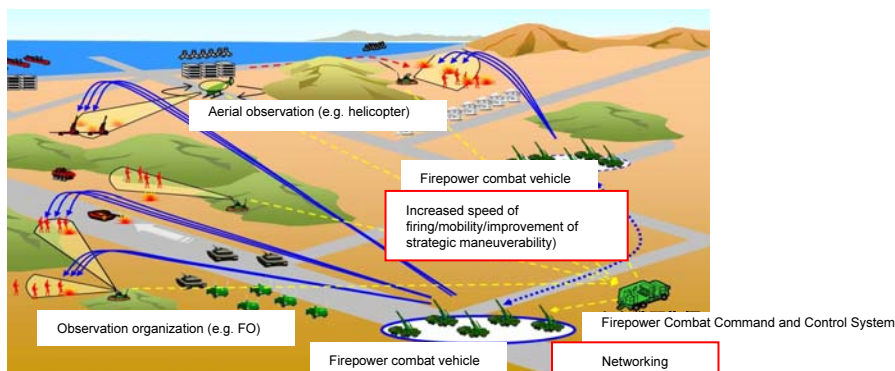


Multi-purpose gun

(Image)

Development of firepower combat vehicle (¥6.4 billion)

- Develop firepower combat vehicle (wheeled self-propelled gun), which is intended to improve the speed of firing and mobility, enhance strategic maneuverability, and expand networks, in response to the decreasing number of the existing towed howitzer (FH-70)



Operation of Firepower Combat Vehicle (Image)

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

See page 9
(Enhancement of capabilities required for special disaster response)

⑤ Response to large-scale/CBRN disasters

Learning from the Great East Japan Earthquake, Japan will promptly and appropriately respond to various large-scale/CBRN disasters, including nuclear disasters, and improve various equipment and training in order to protect the lives and property of Japanese people.

Improvements in disaster response capabilities based on lessons learned from the Great East Japan Earthquake

¥ 247.2 billion

Enhancement of transport capability of JSDF aircraft in times of disaster

- Rapid and stable transportation of relief supplies to a disaster-stricken area
Acquire next-generation transport aircraft (C-2) [repost]
- Transport supplies by helicopters to an isolated area
 - Building of a destroyer (DDH) [repost]
 - Acquisition of transport helicopters (CH-47JA) [repost]
 - Acquisition of a minesweeping and transport helicopter (MCH-101) [repost]



GSDF CH-47JA (joint operation) leaving from destroyer "Hyuga"

Improvement in communication capacity after the deployment of units, and development of method of sharing information with concerned parties

- **Acquire the Next Generation Field Communication System**
- Increase the number of GSDF personnel See page 15
- Enhancement of mental healthcare See page 16
- Improvement in disaster response functions See page 18
- Establish the post of "Deputy Director of the Defense Operations Department" in the Joint Staff Office See page 16
- Enhance disaster-ready dispatch functions (increase in the number of personnel for disaster dispatch) (Internal Bureau/JSO)
- Strengthen analysis and estimation functions of disaster information (increase in the number of personnel for disaster information) (the Defense Intelligence Headquarters)

Disaster response training, including training on nuclear disasters (¥ 0.8 billion)

- Conduct various drills and exercises to strengthen preparedness against natural disasters (JSDF Joint Disaster Relief Exercise, U.S. National Disaster Medical System (NDMS)), as well as nuclear disasters, based on the lessons learned from the Great East Japan Earthquake. Also, hold radiation-related lectures to strengthen capability concerning nuclear disasters that require specialist knowledge and skills

Development of education and research functions (increase the number of teaching staff) See page 17

- Establish a new program to conduct education concerning large-scale/CBRN disasters (National Defense Academy of Japan)

Enhancement of capabilities required for CBRN disaster response

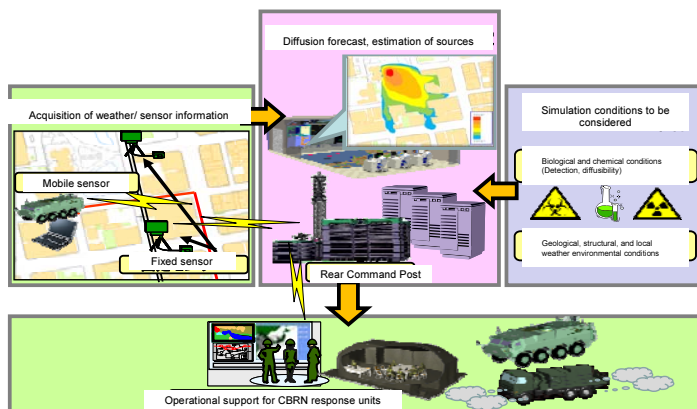
¥ 9.8 billion

Enhancement of various capabilities required for the response to special disasters

- Prevention: Smallpox vaccine
- Detection/Identification : Research on technology for CBRN Threat Assessment System (¥ 1 billion)
 - NBC Reconnaissance vehicles (2 units: ¥ 1.4 billion)
 - NBC Alarm (1 set: ¥ 0.2 billion)
 - Sets of new dosimeters (173 sets 2: ¥ 0.5 billion)
- Protection: Protection equipment, anti-chemical hazmat suits for personnel.
- Diagnosis, treatment : Remote area medical support system
- Decontamination: Decontamination vehicles, decontamination devices
- Training: NBC protection training
 - 1 CBRN: Chemical, Biological, Radiological and Nuclear
 - 2 γ-ray counter 121 units, β-ray counter 27 units, neutron counter 25 units



NBC Reconnaissance Vehicle



Research on CBRN Threat Assessment System Technology

⑥ Response to Ballistic Missile Attacks

¥ 63.3 billion

To be fully prepared for responding to ballistic missile attacks, Japan will steadily implement capability improvements in Aegis ships and acquire PAC-3 missiles, as well as continuing cooperative development with the U.S. for an advanced interceptor missile for BMD (SM-3 Block IIA).

Development of interception system

Improvement of Aegis ships' performance
(2 vessels: ¥ 39.9 billion)

- Upgrade two Atago-class destroyers with a ballistic missile defense capability to maintain a continuous readiness against ballistic missile threats
- Start developing/designing a system program and procure equipment necessary for improvements in FY2012



Atago-class destroyer

Acquisition of PAC-3 missiles (¥ 4.7 billion)

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

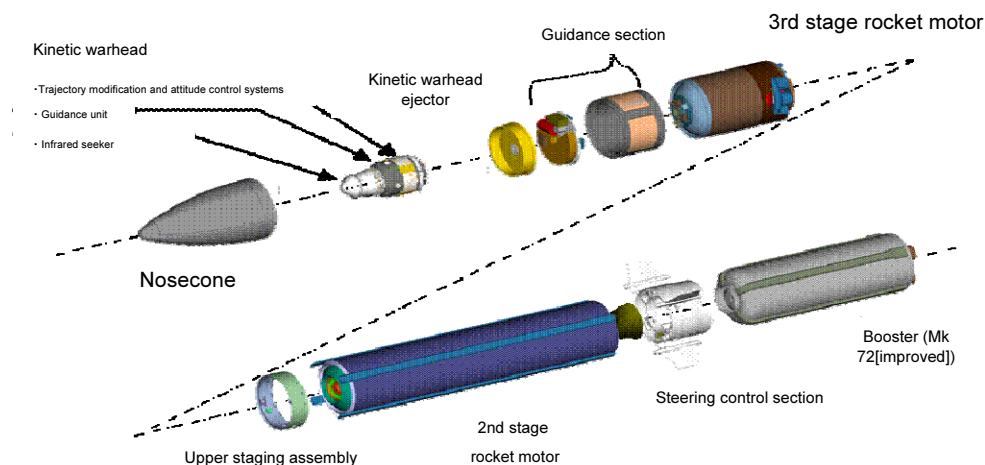


PAC-3 missile

Research and development, etc. (Japan-U.S. cooperative development)

Advanced BMD interceptor missiles (SM-3 Block IIA) (¥ 0.8 billion)

- To increase the defense capabilities against ballistic missile attacks in view of strengthening the means for responding to future threats, Japan and the U.S. will continue the cooperative development of an advanced BMD interceptor missile (SM-3 Block IIA) to be carried by Aegis ships.
- In FY2012, conduct system simulation tests and implement preparations for ground based flight tests



2 Further Stabilization of Security Environment in the Asia-Pacific Region

Japan aims at stable regional security through the appropriate implementation of information-gathering, surveillance, and training/exercises, and will promote bilateral and multilateral defense cooperation/exchanges and joint training and exercises, as well as establishment and enhancement of the regional cooperation framework, and support of the capacity building while deepening the Japan-U.S. alliance.

① Daily Information-gathering and surveillance

Implementation of various initiatives necessary for daily information-gathering/warning and surveillance activities

- Building of a submarine and a destroyer, and the life extension of destroyers [repost]
- Improvement of information sharing capability of vessels etc. [repost]
- Develop fixed warning and control radar [repost]
- Prepare to develop servicing foundation for early warning aircraft (E-2C) [repost]



P-3C on warning and surveillance mission

② Promoting defense cooperation and exchanges with partners

Promoting bilateral and multilateral defense cooperation and exchanges, as well as joint training and exercises, in a multi-layered manner, in an attempt to achieve stability in the Asia-Pacific region, while deepening the Japan-U.S. alliance

Defense cooperation and exchanges with Australia, ROK, India, etc.

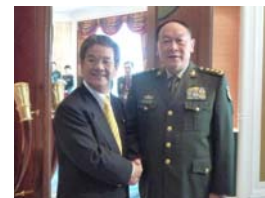
Defense exchanges and cooperation with China and Russia

Trilateral defense cooperation (Japan-U.S.-Australia, Japan-U.S.-ROK)

Defense cooperation and exchanges with Southeast Asian countries, European countries, and NATO



Meeting with ROK's National Defense Minister, Kim Kwan Jin



Meeting with Chinese Minister of National Defense, Liang Guanglie

Exercise Kakadu 12 (Multilateral joint exercise hosted by Australia)

Exercise Aman 13 (Multilateral joint exercise hosted by Pakistan)

Joint exercises: Japan-U.S.-Australia, Japan-U.S.-India

Bilateral search and rescue exercises

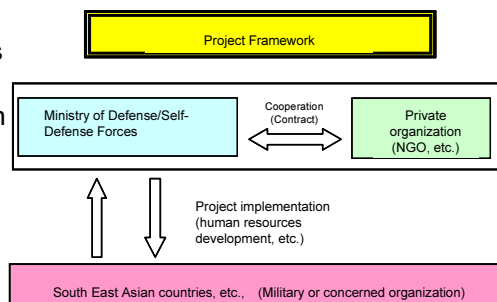
- Improve skills for search and rescue operations and promote relationship of mutual trust and mutual understanding



Kakadu (Australia and New Zealand P-3C in the back)

Capacity building assistance (¥ 0.5 billion)

- Promote response capability enhancement and human resources development of the military and relevant organizations of developing countries in the field of non-traditional security, such as humanitarian assistance/disaster relief and mine/unexploded ordnance clearance, by dispatching SDF personnel and civilians to developing countries such as S.E. Asia to offer knowledge and experience in these fields, thus contributing to the stability of global security.
(Full-fledged implementation of the program starting in FY2012)



③ Promoting multilateral cooperation in the Asia-Pacific region

Initiatives under the ASEAN Defense Ministers'

Meeting-Plus (ADMM Plus)

- Actively promote enhancement of regional defense and security cooperation through the defense ministers' meeting, the only official meeting in the Asia-Pacific region
- Actively promote practical regional cooperation in the field of military medicine by co-chairing the Expert Working Group (EWG) with Singapore

Participating in Pacific Partnership (PP) 2012

- Naval ships mainly sent by the U.S. Navy visit countries in the Asia-Pacific region and conduct medical activities and cultural exchanges, etc. Through cooperation with governments, militaries, international organizations, and NGOs, the PP strengthens partnerships among participating countries and facilitates international disaster relief operations.

Participating in the ASEAN Regional Forum (ARF)

The ARF provides Japan with an opportunity to actively explain its defense policies and efforts, and to candidly exchange opinions with member nations, thereby increasing the transparency of the defense policies as well as fostering mutual understanding.

Multilateral security dialogues hosted by the MOD and the SDF

- Hosting the Tokyo Defense Forum (TDF)
- Hosting the Meeting of Senior Defense Officials on Common Security Challenges in the Asia-Pacific Region

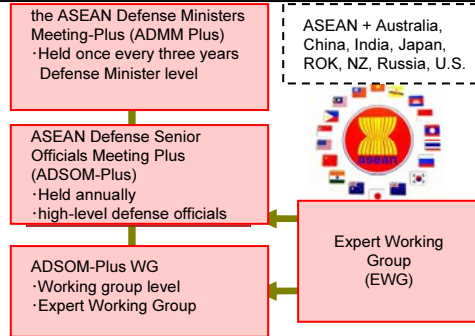
Participating in Pacific-Area Senior Office Logistics Seminar (Joint Staff Office)

Hosting Multilateral Logistics Staff Talks (GSDF)

Hosting Asia Pacific Naval Collage Seminar (MSDF)

Hosting International Air Defense Education Seminar (ASDF)

Organizational Chart of the ASEAN Defense Ministers Meeting-Plus (ADMM Plus)



Pacific Partnership



Working at the Joint Coordination Center of the Second ARF Disaster Relief Exercise (ARF-DiREx2011)



Asia Pacific Naval Collage Seminar

3 Improving the Global Security Environment

In addition to active participation in international peace corporation activities, Japan will proactively take part in various activities such as arms control and disarmament, non proliferation and capacity-building support, as well as promote initiatives for international anti-terrorism measures and marine traffic security.

¥ 5.1 billion

① Strengthening JSDF's basis for international activities

Development of equipment relevant to international operations

- Acquire special trucks (equipped with PLS*) (GSDF) (2 units)
: ¥ 0.3 billion



* PLS (Palletized Load System) : Arm-shaped equipment used when loading container

- Acquire water purification sets (improved) (GSDF) (2 sets):
¥ 0.2 billion
- INMARSAT(International Maritime Satellite Organization)-related projects (MSDF) (¥ 0.3 billion)



- Develop a joint intranet for vessels (MSDF) (¥ 90 million)
- Develop explosion-proof foam for fuel tanks of C-130H (ASDF) (¥ 30 million)

Embarkation on transport aircraft C-130H

Education and exercises related to international peace cooperation activities, etc.

- Participate in multilateral exercises (JSO) (¥ 0.1 billion)
- Dispatch personnel to PKO training centers (GSDF) (¥ 2 million)
- Overseas logistics study (JSO) (¥ 0.3 million)



Enhancement of education and research at the Japan Peacekeeping training and Research Center

- Offer educational courses to train personnel engaged in international peace cooperation activities (JSO)

Enhancement of total transport functions concerning international activities

- Enhance the local transportation coordination function(JSO)
Enhancement of preparation for cartography related to international activities
- Enhance preparation for cartography with the involvement in Multinational Geospatial Co-production Program (the Defense Intelligence Headquarters)

Drill for transporting Japanese nationals living abroad in Cobra Gold (Multilateral Exercise)

② Initiatives for international community efforts

Dispatch of instructors to PKO centers in African countries

Participation in PSI* interdiction exercises, etc.

- Maintain and increase the capability of carrying out a coordinated response among MOD/SDF, relevant organizations, and concerned countries against the proliferation of weapons of mass destruction, and so on

PSI (Proliferation Security Initiative)

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

- Continue anti-piracy operations carried out by destroyers and P-3Cs in the Gulf of Aden



Japanese facility for counter-piracy mission in Djibouti

4 Promoting the Structural Reform to Improve Effectiveness of Defense Forces

Among agendas in the Structural Reform to Improve Effectiveness of Defense Forces, those that have reached a certain conclusion in accordance with the so-called “roadmap of the reform” are properly reflected in the FY2012 budget request

Study on the joint enhancement of the SDF functions and on the future unit structure

Command and control/basic unit

- Establish “Deputy Director of the Operations Department” in the Joint Staff Office See page 16

Mobile Deployment

- Deploy mobile squadrons (Yonaguni Island) See Page 3

Exercises/drills/education

- Implement various exercises, including Japan-U.S. Joint Exercise See page 3

Information-gathering/warning and surveillance/reconnaissance activity

- Deploy a coast observation unit (Yonaguni Island) See page 3
- Overseas study on operations/maintenance/development of high-altitude unmanned aircraft See page 2

Air defense posture/antiaircraft artillery system

- Research on elemental technology concerning future missile systems (2 projects: ¥ 2.2 billion)
Conduct research on elemental technology concerning rocket motor parts and domes for light-wave seekers, contributing to surface-to-air missile systems in the future, in consideration for sharing of equipment between GSDF and ASDF.

Study on the unification and optimization of cross-sectional resource allocation

Enhancement of the management of information and telecommunications projects

- Develop and manage projects for X-band satellite communication See page 15
- Acquire the Next Generation Field Communication System See page 15

Streamlining of logistics operations

- Conduct study on SDF programs See page 21

Promotion of drastic institutional reform relating to human resource base

● Approaches to recruitment and career support

- Enhance career support measures
Enhancement of vocational training for personnel near retirement to upgrade their skills
Study on labor market needs etc. to implement effective career support measures

Promotion of comprehensive procurement reform

P B L

- Implement PBL pilot model See page 21

Enhancement of medical functions

Creation of hub of and addition of higher functions to SDF hospitals

- Reconstruct Sapporo Hospital (2nd stage) (¥ 3.9 billion)
Reconstruction of JSDF Sapporo Hospital, whose performance has suffered due to deterioration and small size, etc.

Infrastructure development for information and telecommunications technology

- Outline/detailed design of JSDF Central Hospital Medical Information System See page 18

Other matters to be examined

- Projects related to the creation of 4-year nurse education courses See page 18

5 Space and Information and Telecommunication Programs

Japan will implement activities to promote space-related programs and enhance the information and telecommunication function

Space programs

¥ 260.9 billion

Research for enhancement of C4ISR capability

- Research on two color infrared image sensor technology, etc.

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

Use of satellite communication

- Develop and operate X-band satellite communications
- Lease of transponder of communications satellite, etc.

Use of commercial imagery satellite

- Receive commercial satellite imagery, etc.

Use of meteorological satellite information

Send personnel to Space Fundamentals Course of the U.S.

Air Force



Commercial communications satellite

Superbird

See below

Enhancement of information and telecommunication function

Development and operation of X-band satellite communications (¥ 188.1 billion)

- Since the existing communications satellites (Superbird B-2 and D) will reach the end of their design lifespan in FY2015, successor satellites will be developed. This project will adopt the PFI method, which implements all stages, from design to disposal, under a blanket contract, utilizing the money, management ability, and technological knowledge of the private sector.

- ◆ Development (production and launch, etc.) and operation of X-band satellites
- ◆ Development and maintenance/management of facilities and equipment necessary for X-band satcom
- ◆ Introduction of integrated control system for X-band satcom network etc.



X-band satellite communications (Image)

Acquisition of the Next Generation Field Communication System (2 units: ¥ 14.8 billion)

- As a field communications infrastructure of GSDF, GSDF will acquire the Next Generation Field Communication Systems, which will enable the rapid creation of high-speed and wide-area communication networks and also be useful for disaster relief operation.

Broadband multi-purpose wireless (for vehicle use)



(for mobile use)

Access node device



6 Restructuring and Organizational Changes

Japan will increase the actual number of SDF personnel and reorganize units of each defense force in accordance with the National Defense Program Guidelines and the Mid-term Defense Program. Japan will also implement organizational changes to strengthen the defense policy planning function.

Increase in the actual number of SDF personnel

Increase in the number of GSDF personnel

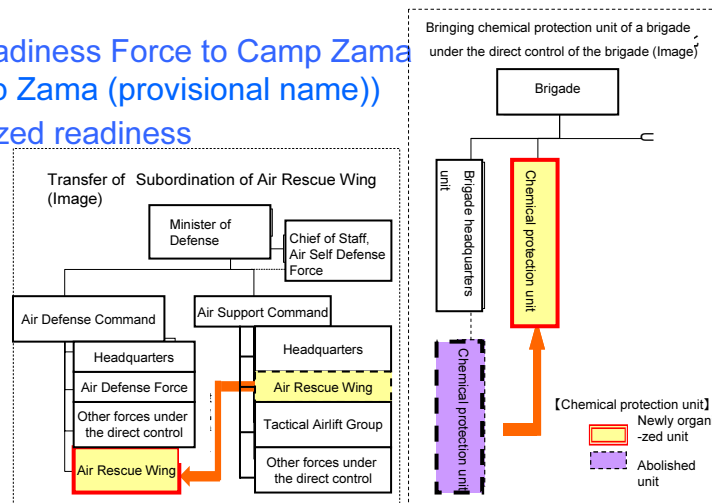
- Request to increase the number of personnel by 109 so that units deployed in the area surrounding the Fukushima Dai-ichi Nuclear Power Plant can take all possible measures to continuously respond to nuclear disasters.

Restructuring programs

Reorganization of units, etc.

- Transfer subordination of Air Rescue Wing from Air Support Command to Air Defense Command
- Relocate the headquarters of Central Readiness Force to Camp Zama (provisional name) (Establishment of Camp Zama (provisional name))
- Reorganize the 4th Division for modernized readiness
- Reorganize the 12th Brigade for modernized readiness
- Bring chemical protection unit of a brigade under the direct control of the brigade
- Reorganize the 1st tank group

Organization-related Programs



Enhancement of the framework for the “Strengthening the Basis for Responding to Large-scale and Special Disasters based on the Responses to the Great East Japan Earthquake”

- In order to improve response capabilities for disaster and strengthen its foundations, etc, MOD will set up a “Defense Policy Planning Officer (provisional title)” in the Defense Policy Division of the Bureau of Defense Policy, a “Defense Operations Coordinator (provisional title)” in the Defense Operations Division of the Bureau of Operational Policy, and a “Reserve Personnel Office (provisional title)” in the Human Resources Development Division of the Bureau of Personnel and Education.
- Establish a “Mental Health Planning Officer (provisional title),” under the Director of the Health and Medical Division of the Bureau of Personnel and Education particularly in order to promote the care system for the mental health of SDF personnel deployed in case of natural disasters such as the Great East Japan Earthquake and other contingencies.

Enhancement of the framework for “Deepening and Developing the Japan-U.S. Alliance”

- Establish a “Japan-U.S. Operations Coordinator (provisional title)” in the Defense Operations Division of the Bureau of Operational Policy for smooth execution of Japan-U.S. joint operations

Enhancement of the framework of “Initiatives for Multi-layered Security Cooperation with the International Community”

- Additionally establish an “International Policy Planning Officer (provisional title)” in the International Policy Division of the Bureau of Defense Policy

Enhancement of the framework of “Strengthening a Consolidated Operation Base to Respond to Complex Situations, etc.”

- Establish a “Deputy Director of the Operations Department (provisional title)” in the Joint Staff Office to enhance the framework of sustainable and concomitant implementation of both assistance and executive orders, regarding consolidated operations, as well as to improve efficacy of Japan-U.S. coordination, etc.

7 Strengthening Education and Research System

Implement the measures to strengthen the system of education and research of the National Institute for Defense Studies, the National Defense Academy, and the National Defense Medical College in addition to developing an environment for the enhancement of various health measures so that students can be devoted to their duties.

The National Institute for Defense Studies

Enhancement of research framework to respond to the diversification of security challenges (increase in the number of senior research fellows)

- Initiatives for multi-layered security cooperation in the international community
 - Strengthen research on China, Africa, and Oceania
 - Strengthen research on the military history of Russia/USSR

Promotion of policy-oriented research

- Organize timely exchange of opinions and ideas related to information analysis with notable security research institutions in other countries (such as Institute for National Security Strategy (INSS) in U.S.)



National Defense Academy

Enhancement of study abroad programs

- Long-term training at the National Armed Forces Language School in Qatar
- Unit exercises in Federal Republic of Germany and extension of training period at the Federal Language office (3 weeks → 4 months)

Enhancement of education and research (increase in instructors)

- Establish new programs (crisis management and life science) unique to the National Defense Academy, combining both academic and practical aspects, to implement education suitable for the new missions and roles of the SDF
- Establish a new program to implement education concerning large-scale and special disasters.

Measures to attract highly qualified human resources

- Introduce a new entrance examination system and improve the existing examination system, in order to ensure highly qualified students with the makings of an excellent SDF officer in a society of increasingly fewer children with higher education levels

National Defense Medical College

Enhancement of functions of the National Defense Medical College and its affiliated hospitals

- Enhance functions of the National Defense Medical College Hospital in order to accurately meet the needs of the MOD/SDF, thus contributing to educational needs of medical officers. (¥ 1.6 billion)

Establishment of four-year nursing program

- Preparations towards the start of the program in FY2014 (¥ 1.8 billion)



Development of environments conducive to work

Enhancement of mental health care

- Enhance mental health care for SDF personnel by developing various counseling approaches, such as training conducted by external lecturers for in-house counselors, the allocation of clinical psychologists, and the invitation of external counselors, etc. (¥ 0.2 billion)

Various medical measures

Maintenance/improvement of medical skills of medical officers and contribution to regional medicine, etc.

- Outline/detailed design of Self-Defense Forces Central Hospital Medical Information System (¥ 0.4 billion)
 - Along with the conversion of the medical information system of the Self-Defense Forces Central Hospital, an outline and detailed design will be developed in view of using the common medical computers of SDF regional hospitals, etc.
- Development of medical equipment of SDF hospitals, etc. (¥ 17.1 billion)

Enhancement of medical function

- Develop individual first aid kits (¥ 0.7 billion)
- Develop an outdoor surgery system (¥ 0.2 billion)



Individual first aid kit

Establishment of a four-year nursing program (see above)

8 Initiatives for the Realignment of U.S. Forces in Japan

In order to make steady progress in the realignment of U.S. forces in Japan, Japan will take relevant actions as appropriate, including the relocation of the U.S. Marine Corps from Okinawa to Guam

Measures for reducing the burden on local communities

● Relocation of US Marine Corps from Okinawa to Guam

- Contribution to the “Mamizu” projects and infrastructure development projects, etc.

(Note1) The term “Mamizu” project refers to the one funded by Japanese direct cash contributions for the development of facilities, such as headquarters buildings

(Note2) With regard to the infrastructure development projects, investment is made in the Japan Bank of International Cooperation (JBIC), which is an international business section of Japan Finance Corporation, to be used as funds from JBIC to the U.S. side.



Guam

● Realignment-related measures in Japan

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



Futenma Air Station

Since projects should be launched at the earliest possible time, as measures to reduce burden on local community, it is necessary to reflect the result of coordination with local communities and U.S. forces in the process of budget creation. Therefore these matters will be examined during the process of budget compilation and necessary measures will be taken. For that effect, the amount requested will be temporarily set at ¥147 billion, the same as the last fiscal year. In addition, ¥1.5 billion is requested for the development of facilities related to reducing the burden on local communities, etc.

Measures for maintaining deterrent capabilities

¥3.9 billion

- Relocation of the headquarters of the GSDF Central Readiness Force to Camp Zama
- Compensation for functions of the US facilities along with the relocation of the JASDF Air Defense Command to Yokota Air Base, etc.

SACO-related cost

- 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 (tentatively set for the same amount as the previous fiscal year: ¥8.3 billion).

9 Promotion of Base Measures

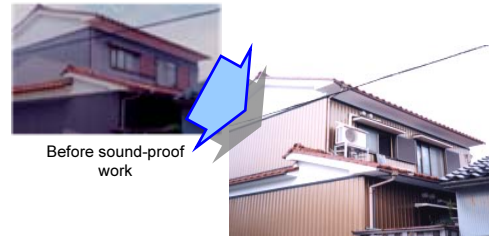
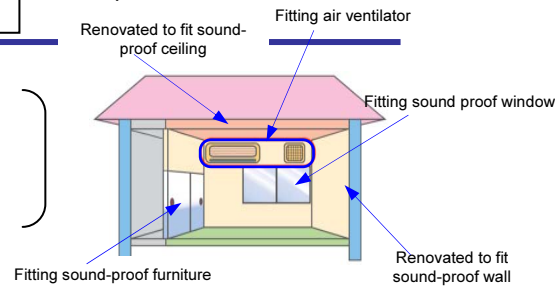
Japan will steadily implement measures to achieve reconciliation of interests between defense facilities and the neighboring communities, as well as measures to facilitate the smooth and effective stationing of U.S. forces in Japan.

Expenses related to programs for communities near bases

¥118.8 billion

Including: Residential sound insulation : ¥42.9 billion
Improvement of living environment of neighboring communities : ¥75.9 billion

【Example of work】



Sound-proof House

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 living environment of neighboring communities (river and road restoration, sound-proofing systems in schools, etc.)
- Implementation of projects covered by specified defense facilities environs 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.)

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

¥191.9 billion

Including:
Special Measures Agreement: ¥139.5 billion
Facilities improvement : ¥25.5 billion
U.S. forces in Japan employees measures, etc. : ¥27.0 billion

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

- Share the cost of wages and utilities, etc. of U.S. forces in Japan employees
- Improve facilities (barracks, family housing, etc.)
- Share the cost of social insurance premiums (healthcare insurance, welfare annuity insurance, etc.) for U.S. forces in Japan employees



Barracks

Rental cost of facilities, compensation expenses, etc.

¥137.3 billion

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

10 Streamlining Initiatives

Various initiatives will be promoted to further rationalize and streamline equipment acquisition and ensure the greater fairness of procurement, as well as to improve the efficiency of MOD's budget execution.

Bulk procurement of equipment

Regarding equipment which is procured every fiscal year, the government will conduct bulk procurement of major equipment, which is expected to save some expenditures through one-time procurement.

[Equipment subject to bulk procurement]

Type-96 Multi-purpose Missile System (3 sets: ¥4.1 billion)

- For 3 fiscal years: 3 sets in one procurement

Cost-saving effect of about ¥1.1 billion



Streamlining initiatives

Implementation of PBL pilot model

- In consideration of the future introduction of PBL-style maintenance as part of comprehensive acquisition reform, efforts will be made to streamline operations and cost reduction, while maintaining current operational availability by implementing comprehensive contracts on the acquisition, repair, etc. of parts of GSDF's special transport helicopter (EC-225LP) as a PBL pilot model.



PBL (Performance Based Logistics) : A contract method with corporations in which payment is made for achieving the performance of equipment, such as operational availability or safety, rather than paying for the actual amount of maintenance work

Reducing acquisition costs of equipment

- Reduce development costs by consolidating programs for several destroyers at the time of the renewal of combat system computers loaded on them.

Conduct study on the streamlining of service

Survey on the nature of operations of JSDF

- Implement demonstrative tests on streamlining measures for service at camps and bases
- Discussions at the Contract & Procurement Systems Study Group
- Consider review of various systems concerning contract, procurement and equipment cost analysis/usage by creating a cost database, in order to draw out cost reduction incentives of a private sector.

Initiatives for reform of total labor cost

- Streamlining of SDF operations will continue as a part of the reform of total labor cost in order to efficiently carry out SDF duties (SDF:-25 personnel)

Major equipment, etc.

1 Major Equipment

Procurement type		FY2011 Number procured	FY2012		
			Number Procured	Amount (¥ 100 million)	
Aircraft	GSDF	Multi-purpose helicopter (UH-60JA)	2	1	37
		Transport helicopter (CH-47JA)	1	2	109
		Attack helicopter (AH-64D)	1	1	52
		Next helicopter trainer (TH-480B)	28	—	—
	MSDF	Fixed-wing patrol aircraft (P-1)	3	—	—
		Patrol helicopter (SH-60K)	3	5	282
		Minesweeping and transport helicopter (MCH-101)	2	1	64
		Primary trainer (T-5)	5	4	10
		Helicopter trainer (TH-135)	2	—	—
		Life extension of fixed-wing patrol aircraft (P-3C)	(1)	—	—
		Life extension of patrol helicopter (SH-60J)	(2)	(2)	10
	ASDF	Next-generation fighter (F-X)	—	4	551
		Modernization of fighter (F-15)	(8)	(2)	30
		Improvement of self-defense capability of fighter (F-15)	(2)	(2)	48
		Improvement to load IRST on fighter (F-15)	—	(2)	14
		Improvement of air-to-air combat capability of fighter (F-2)	(3) (36)	(12) (—)	41
		Addition of JDAM function to fighter (F-2)	(12) (—)	(20) (—)	28
		Next-generation transport aircraft (C-2)	2	2	333
		Rescue helicopter (UH-60J)	3	—	—
Vessel	MSDF	Destroyer (DDH)	—	1	1,190
		Submarine (SS)	1	1	565
		Minesweeper (MSC)	1	—	—
		Life extension of Hatsuyuki class destroyer	(1) (—)	(—) (1)	8
		Life extension of Asagiri class destroyer	(1) (3)	(2) (2)	60
		Life extension of Abukuma class destroyer	—	(—) (2)	5
		Life extension of Hatakaze class destroyer	—	(—) (1)	8
		Life extension of Towada class supply vessel	(1)	—	—
		Function improvement of short-range SAM system on Murasame class destroyer	—	(1)	0.6
		Measures related to life extension of air-cushion vehicle	(—) (1)	(—) (1)	0.3

Procurement type			FY 2011 Number procured	FY2012	
				Number procured	Amount (¥100 million)
Missile	GSDF	Type-03 medium-range surface-to-air missile (SAM)	1 squadron	1 squadron	167
		Type-11 short-range SAM	3	1	49
		Type-96 multi-purpose missile system	1 set	3 sets	41
		Medium-range multi-purpose missile	12 sets	11 sets	56
		Type-88 surface-to-ship missile system (improved)	—	2	56
	ASDF	Surface-to-air missile (Patriot [excluding PAC-3])	¥9.1billion	—	114
		Upgrade of patriot system	—	(3)	362
		Base air defense SAM	1	2 (including 1 set for educational purposes)	58
Firearm, Vehicle, etc.	GSDF	9mm pistol	137	90	0.2
		Type-89 rifle	10,033	9,513	27
		Anti-personnel sniper rifle	91	49	0.3
		5.56mm machine gun MINIMI	212	220	4
		12.7mm heavy machine gun	113	128	7
		Multi-purpose gun	—	7	0.7
		81mm motor L16	1	6	0.6
		120mm motor RT	1	3	1
		Type-99 155mm self-propelled howitzer	6	8	76
		Type-10 tank	13	16	160
		Light armored vehicle	56	101	30
		Type-96 wheeled armored vehicle	11	21	26
		Type-87 reconnaissance and patrol vehicle	1	1	3
		NBC reconnaissance vehicle	2	2	14
		Vehicle, communications equipment, facility equipment, etc.	¥65 billion	—	824
	ASDF	Light armored vehicle	9	2	0.9
BMD	MSDF	Upgrade of Aegis	—	(2)	399
	ASDF	Improvement of patriot system	(1) (1 set for regular repair)	—	—

Note 1: Prices represent amounts excluding initial expenses needed for the production of equipment, etc.

Note 2: Number procured: The number that is newly contracted in 2012. (The period for acquiring the item varies by equipment, but can take between two to five years.)

Note 3: The number in brackets represents the number related to upgrading the existing commissioned equipment.

Note 4: Regarding the number procured for the improvement of F-2 air-to-air combat capability and the addition of JDAM function to F-2, the upper figure represents the number of aircrafts modified, while the lower figure represents the number of pieces of equipment with improved capabilities. Regarding to the number procured for the life extension of vessels, the upper figure represents the number of vessels subject to life extension work, and lower figure represents the number of parts procured for life extension work.

2 Major Research and Development

	Item	Overview	FY2012 Amount (¥ billion)
New	Development of firepower combat vehicle	Development of firepower combat vehicle (wheeled self-propelled howitzer) with a higher firing speed and mobility, and improved maneuverability and network capacity, in response to the decreasing number of the existing towed howitzer (FH-70)	6.4
	Research on elements of anti-aircraft gun systems	Research on elements of anti-aircraft gun systems for close air defense against threats of air intrusion by unmanned aircraft, precision-guided missiles, and cruise missiles, etc.	1.7
	Development of new torpedo for submarine-use	More than 20 years have passed since the development of the existing type-89 torpedo, which makes it difficult to respond to the advancement of torpedo deception devices and reduces sensor detection range in shallow water, due to sea surface reverberation, etc. Development of torpedo for submarine use aims at responding to this situation and enabling effective attacks on various vessels.	3.7
	Research on variable depth sonar	Research on variable depth sonar for surface vessel-use aims to improve submarine detection capabilities in deep sea environs, which has been difficult with existing equipment, and to increase target detection potential.	2.2
	Development to improve support and combat capability of F-2	In order to improve support and the combat capability of F-2, a display system for optimal release area will be developed aimed at reducing the burden on pilots when releasing Laser JDAM.	3.3
	Research on future missile warning technology	Research on missile warning devices using infra-red radiation to be loaded on various types of aircraft, which will enable detection of new threats, such as missiles with low smoke motors.	2
	Research on CBRN threat assessment systems	In order to respond to threat of chemical, biological, radiation, and nuclear (CBRN) contamination, research will be conducted on a system that predicts/evaluates the air diffusion of CBRN toxic substances, and enables one to identify the origin of the substances.	1
	Research on remote-controlled small reconnaissance systems	Research on small UGV and UAV that can conduct reconnaissance operations by going into a confined space under a CBRN contaminated environment caused by street fighting, terrorist attacks, special disasters, etc.	1.5
Continuation	Development of (improved) type-03 medium range surface-to-air missile	Development of (improved) type-03 medium range surface-to-air missile with advanced capability to respond to cruise missile and air-to-surface missile attacks, expanded area of protection, and reduced acquisition cost.	11
	Development of new multi-purpose helicopter	Development of new multi-purpose helicopter to replace the existing UH-1J helicopters used by the GSDF, which will be made available to division and brigade squadrons, and helicopter units of the regional armies for use in various missions, such as airmobile operations and air transportation.	18.4

3 Changes in Number of Personnel

Changes in number of SDF personnel, etc.

(Unit : Person)

	End of FY2011	End of FY2012	Increase/decrease
GSDF	159,816	159,313	-503
Regular personnel	151,337	151,138	-199
Ready reserve personnel	8,479	8,175	-304
MSDF	45,517	45,517	0
ASDF	47,097	47,097	0
Joint Units	1,227	1,228	1
Joint Staff	361	371	10
Defense Intelligence Headquarters	1,907	1,907	0
Total	247,446 (255,925)	247,258 (255,433)	-188 (-492)

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

Note2: The number in the brackets includes the number of SDF ready reserve personnel.

Number of SDF personnel (annual average)

(Unit : Person)

	GSDF	MSDF	ASDF
Annual average	140,110	41,937	43,195

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 FY2011	End of FY2012	Increase/decrease
SDF reserve candidates	4,600	4,600	0

Change in the quota of administrative officials, etc.

(Unit: Person)

	End of FY2011	End of FY2012	Increase/decrease
Total	21,989	22,012	23

Note 1: Including Minister, Parliamentary Senior Vice-Minister, and Parliamentary Vice-Minister (2 persons)

Note 2: The number of increase/decrease includes the decrease of 489 through rationalization of quota

Defense-related expenses

1 Overall Defense-related Expenses

[Expenditures (classified into 3 categories by expense)]

(Unit: ¥ 100 million)

	FY2011 Budget		FY2012 Request for general budget + special budget allocations	
		YR/YR		YR/YR
Defense-related expenditures	4 6 , 6 2 5	- 2 0 1 [-0. 4 %]	4 6 , 9 0 6	2 8 1 [0. 6 %]
Personnel and provisions expenses	2 0 , 9 1 6 (4 4 . 9 %)	6 6 [0. 3 %]	2 0 , 8 7 2 (4 4 . 5 %)	- 4 4 [-0. 2 %]
Material expenses	2 5 , 7 0 9	- 2 6 6 [-1. 1 %]	2 6 , 0 3 4	3 2 5 [1. 3 %]
<Deferred expenses> Obligatory outlay expenses	< 1 9 1 > 1 6 , 3 2 1 (3 5 . 0 %)	- 4 2 9 [-2. 6 %]	< 7 1 7 > 1 6 , 0 2 4 (3 4 . 2 %)	- 2 9 7 [-1. 8 %]
General material expenses (activity expenses)	9 , 3 8 8 (2 0 . 1 %)	1 6 3 [1. 8 %]	1 0 , 0 1 0 (2 1 . 3 %)	6 2 2 [6. 6 %]

(Comments)

1. Exchange rate for FY2012: US\$ = JPY 89

2. () : share, [] : growth rate, < > : Expenditures that are to be expended later on.

3. The term "Expenditures that are to be expended later on." means the extension of the payment period of a part of the obligatory outlay expenses to be paid in the respective fiscal years to later fiscal years. The above mentioned obligatory outlay expenses indicate the reduced expenses by the amount of deferred expenses.

4. In addition to the above, the SACO-related expenses are ¥10.1 billion for FY2011 and ¥10.1 billion for FY2012 (tentatively the same amount as FY2011), and the U.S. forces realignment-related expenses (portion intended to reduce the burden on the local community) are ¥102.7 billion for FY2011 and ¥102.7 billion for FY2012 (tentatively the same amount as FY2011). Therefore, the total is ¥4,775.2 billion for FY2011 (-¥15.1 billion, -0.3% yr/yr) and ¥4,803.3 billion for FY2012 (+¥28.1billion, +0.6% yr/yr).

5. Furthermore, as an expenditure for restoration and reconstruction from the Great East Japan Earthquake, the government has prepared ¥29.1 billion as obligatory outlay expenses for FY2012 pertaining to the first supplementary budget for FY 2011 and ¥1.2 billion as expenditure pertaining to FY 2012 budget request. Also, there are ¥109.3 billion as obligatory outlay expenses for FY 2012 pertaining to a request from the MOD for the draft of the third supplementary budget for FY 2011.

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

7. FY 2012, ¥96 billion are requested for the special budget allocations.

8. Figures for FY 2012 include ¥0.3 billion (obligatory outlay expense) as expenditures pertaining to rebuilding of Sapporo Hospital and ¥0.7 billion for future obligation pertaining to new contracts, which are appropriated by the MOF Head Office.

[Future obligation pertaining to new contracts]

(Unit: ¥ 100 million)

	FY2011		FY 2012 General budget request	
		YR/YR		YR/YR
Future obligation pertaining to new contracts	1 6 , 5 4 0	- 8 3 [-0. 5 %]	1 9 , 8 2 5	3 , 2 8 5 [1 9 . 9 %]

Notes: 1. In addition to the above, the SACO-related expenses are ¥3.1 billion for FY2011 and ¥3.1 billion for FY2012 (tentatively the same amount as FY2011) and the U.S. forces realignment-related expenses (portion intended to reduce the burden on the local community) are ¥73.1 billion for FY2011 and ¥73.1 for FY2012 billion (tentatively the same amount as FY2011). Therefore, the total is ¥1,730.3 billion for FY2011 (+¥30 billion, +1.8% yr/yr) and ¥2,058.8 billion for FY2012 (+¥328.5billion, +19% yr/yr).

2. Furthermore, there are ¥5.9 billion for expenses pertaining to reconstruction measures from the Great East Japan Earthquake.

(Reference 1) Projects requested as measures for the rebirth of Japan

Requesting about ¥96 billion for the following projects,
contributing to the realization of a safe and secure society

Projects contributing to the construction of dynamic defense

¥66.2 billion

Fuel cost for vessels, aircraft, vehicles, etc. (increments in unit price), necessary to conduct various operations, such as warning and surveillance activities, and maintenance and repair work required for maintaining and improving their maneuverability

Projects to maintain advanced technology related to defense equipment

Projects supporting SDF personnel on mission (increments in unit price of foodstuff)

Projects contributing to improvement of response capability to disasters

¥9.7 billion

Development of equipment (personal protective equipment and dosimeter, etc.) to improve response capability to disasters, including nuclear disasters

Anti-disaster exercise

Projects contributing to ensuring information infrastructure, such as improving information security

¥6 billion

Improvement of information security of MOD/SDF: e.g. development of computer protection system

Improvement of information & communications infrastructure of MOD/SDF

Projects contributing to enhancement of measures towards global peace and prosperity

¥0.6 billion

Development of various equipment to readily respond to operations for international peace cooperation

International flight training to accurately fulfill missions, such as international peace cooperation

Projects contributing to the stable operation of defense facilities for activities of SDF and U.S. forces

¥12.3 billion

Promotion of sound-proof houses

Securing land for facilities

Contribution to regional medicine

¥1.2 billion

Renewal of medical equipment of SDF hospitals, etc.

(Reference 2) Composition of defense-related expenses

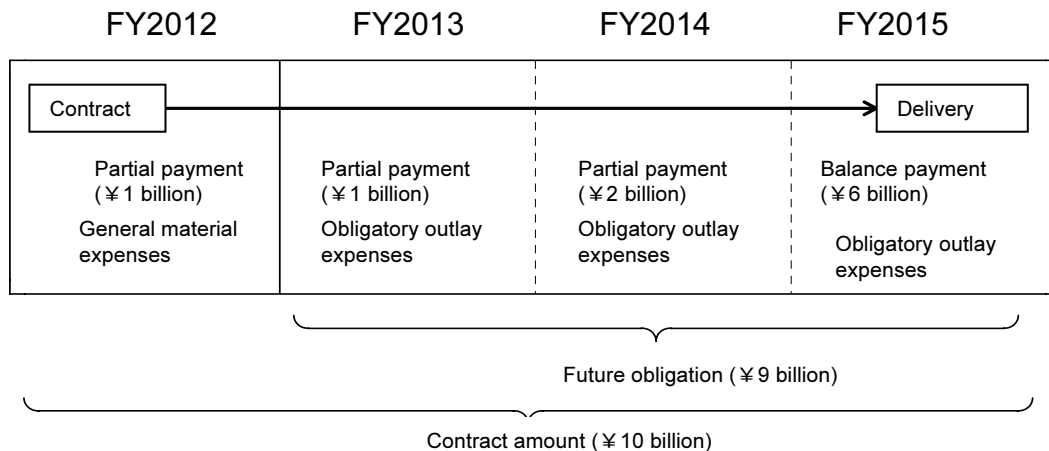
Obligatory outlay

Defense-related expenses are broadly divided into personnel and provision expenses and material expenses (program expenses). Material expenses (program expenses) are further classified into obligatory outlay expenses and general material expenses.

Personnel and provisions expenses	Expenses related to personnel salary, retirement allowance, meals, etc.
Material expenses (program expenses)	Expenses related to the procurement, repair, and maintenance of equipment; purchase of fuel; education and training of SDF personnel; facility construction and maintenance; utilities such as lighting, heat, and water; research and development of technology; and expenses related to base measures, including measures to alleviate the burden on communities located near bases and cost-sharing for the stationing of U.S. forces in Japan
Obligatory outlay expense	Expense of payments made in FY2012, in accordance with contracts made before FY2011.
General material expenses	Expense of payments made in FY2012, in accordance with contracts made in FY2012

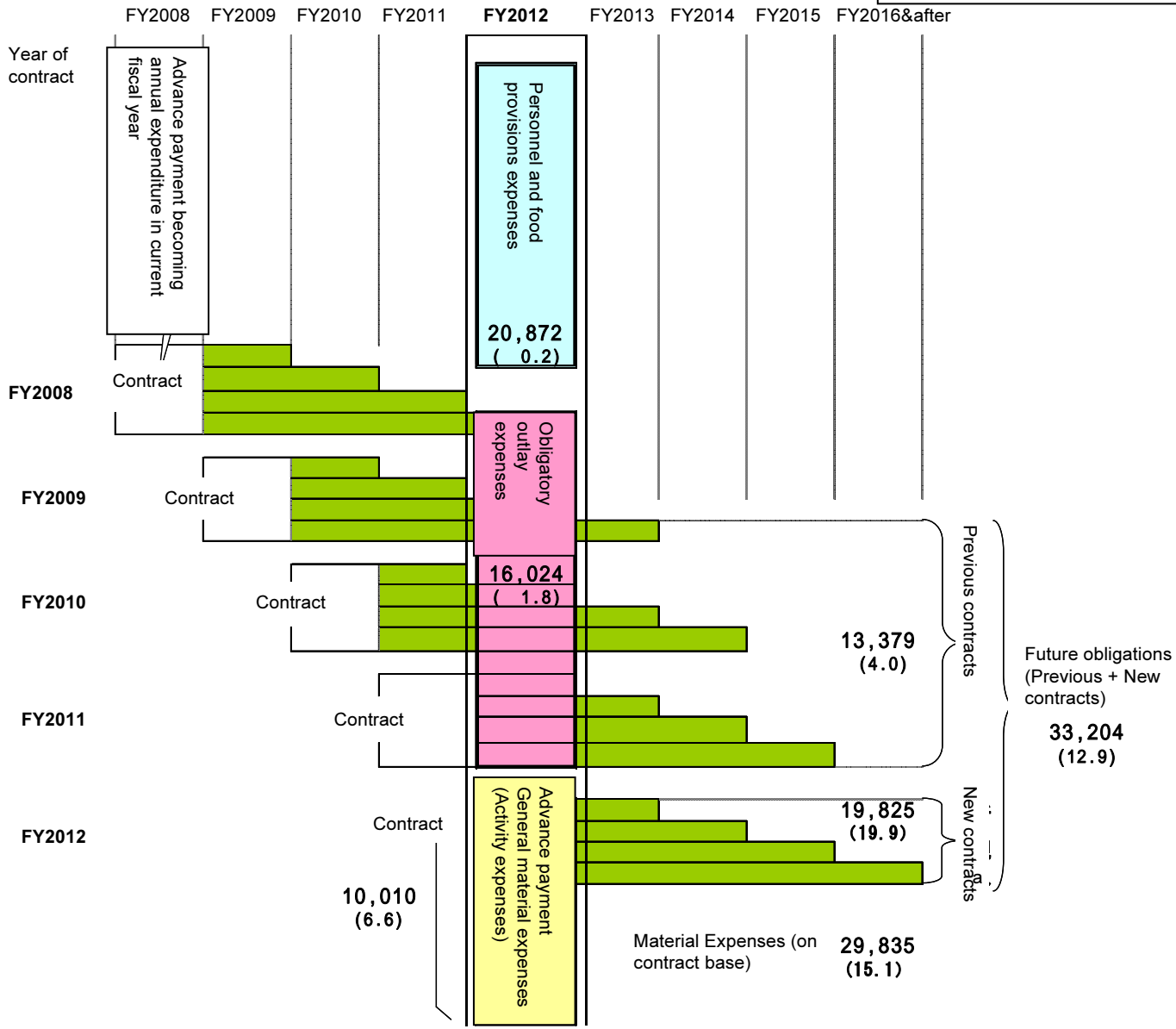
Future obligation

Build-up of defense capabilities, such as procurement of major equipment including vessels and aircraft, as well as construction of hangars and accommodation for SDF personnel, may take several fiscal years. For this reason, the MOD makes contracts which span several fiscal years (in principle less than five years), and at the time of concluding the contract, makes an advance commitment to pay the expenses at a certain time in the future. Future obligation refers to the amount which will be paid in the fiscal year(s) following the year the contract is made, in accordance with the contract of several fiscal years. (e.g.) ¥10 billion worth of equipment is procured under a four-year contract



Relation between annual expenditures and future obligation

Unit : ¥ 100 million
(): Growth rate (%)



FY2012 Requests for general budget + special budget allocations related to defense-related expenses
46,906
 (0.6)

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

2. This chart is a rough sketch. The length of a box does not necessarily correspond to the actual amount of expenses..

3. In FY 2012, the amount of ¥96 billion was requested for the special budget allocations.

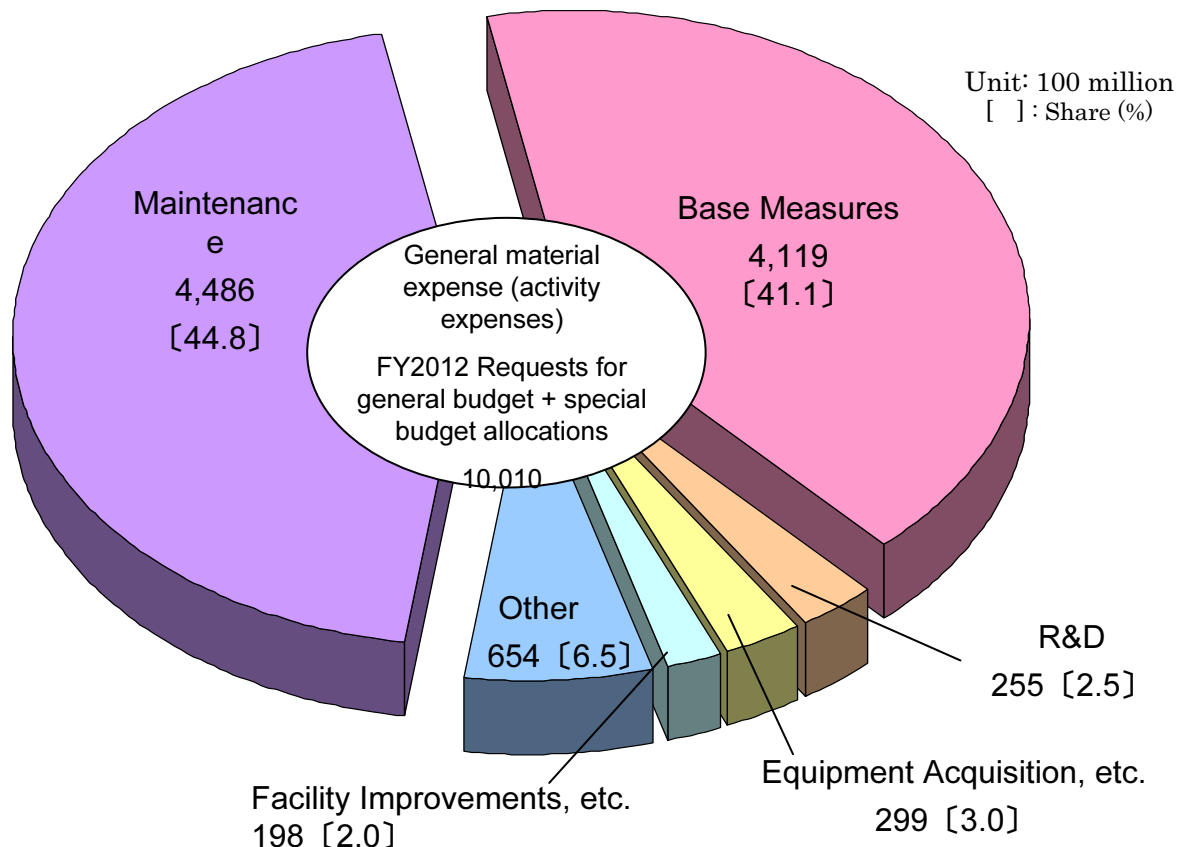
Material expenses (project expenses) on contract base = General material expenses (activity expenses) + Future obligation (a constituent of obligation outlay expenses (FY2012~))

$$29,835 = 10,010 + 19,825$$

Material expenses (project expenses) on contract base = General material expenses (activity expenses) + Obligation outlay expenses (FY2011)

$$26,034 = 10,010 + 16,024$$

2. General Material Expenses (Activity Expenses)



Details of General Material Expenses

(Unit: ¥100 million)

Item	FY 2011	FY2012 Requests for general budget + special budget allocations	YR/YR
Maintenance	4,148	4,486	338
• Petrol	932	1,224	292
• Repair	1,784	1,756	-27
• Education & Training	271	274	3
• Medical Care	245	251	6
• Utilities	916	979	64
Base Measures	3,898	4,119	221
• Community Grants	908	993	85
• Host Nation Support	1,703	1,757	55
• Rent, Compensation Costs	1,287	1,368	81
R&D	255	255	-1
Equipment Acquisition	215	299	84
Facility Improvements	197	198	1
Other (computer rentals, etc.)	676	654	-22
Total	9,388	10,010	622

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

3 Material Expenses (Contract Base)

Material Expenses (Contract Base) = General Material Expenses (Activity Expenses) + Future Obligation concerning New Contracts

Details of Material Expenses (Contract Base)

(Unit: ¥ 100 million)

Classification	FY2011	FY2012 Requests for general budget + special budget allocations	FY/FY
Maintenance	10,973	13,310	2,337
Petrol	932	1,224	292
Repair	8,227	10,280	2,053
Education & Training	1,813	1,805	-8
Base Measures	4,276	4,481	205
R&D	1,272	1,494	221
Equipment Acquisition	4,562	5,466	903
Aircraft Acquisition	2,096	1,443	-653
Shipbuilding	760	1,795	1,035
Facility Improvements	1,055	1,009	-46
Other (computer rentals, etc.)	933	831	-103
Total	25,927	29,835	3,907

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

(Reference) Details of Future Obligation Concerning New Contracts

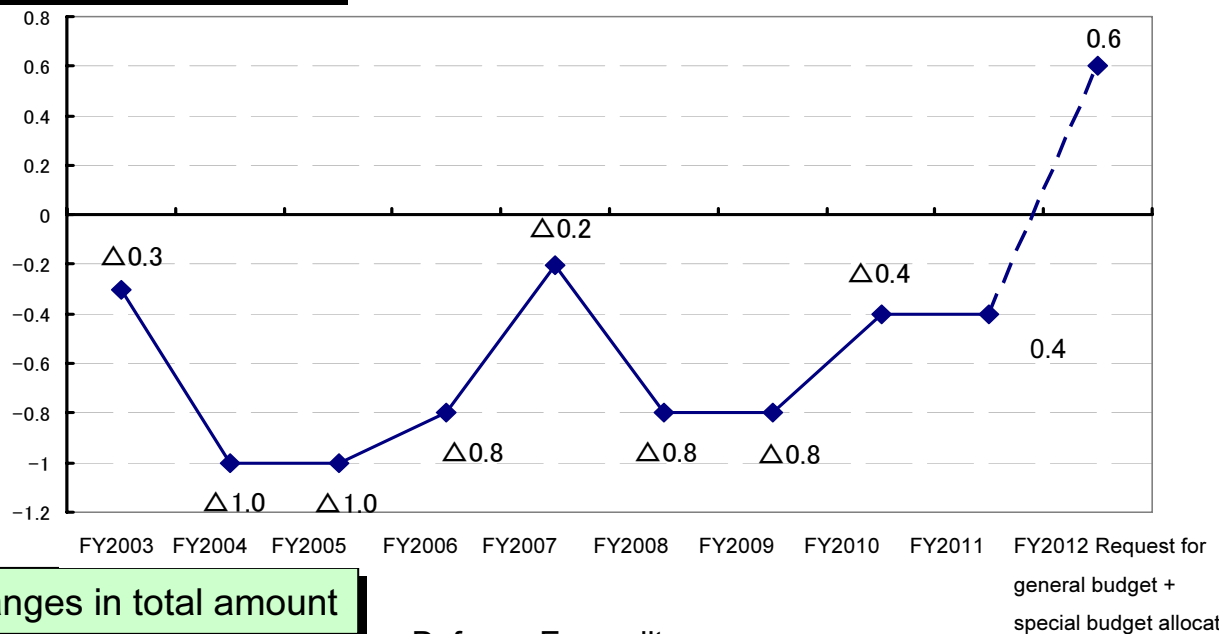
(Unit: ¥ 100 million)

Classification	FY2011	FY2012 General budget request	FY/FY
Maintenance	6,825	8,824	1,999
Repair	6,443	8,524	2,081
Education & Training	382	300	-82
Base Measures	379	362	-16
R&D	1,017	1,239	222
Equipment Acquisition	4,365	5,219	854
Aircraft Acquisition	2,088	1,404	-684
Shipbuilding	750	1,781	1,031
Facility Improvements	858	811	-46
Computer Rentals, etc.	258	184	-74
Total	16,540	19,825	3,285

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

(Reference) Changes in defense expenditures

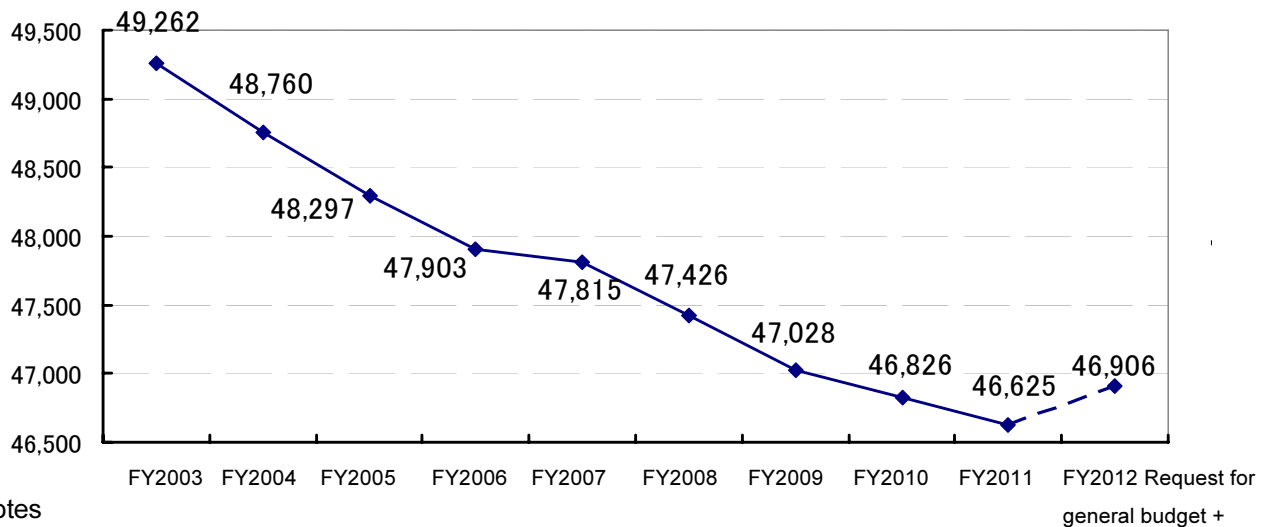
Changes in growth rate



Changes in total amount

Defense Expenditures

¥ 100 million



Notes

- Above figures are on an expenditure basis.
- In addition to the above, SACO-related expenses are
 ¥ 26.5 billion for FY2003, ¥ 26.6 billion for FY2004, ¥ 26.3 billion for FY2005, ¥ 23.3 billion for FY2006, ¥ 12.6 billion for FY2007, ¥ 18.0 billion for FY2008, ¥ 11.2 billion for FY2009, ¥ 16.9 billion for FY2010, ¥ 10.1 billion for FY2011, ¥ 10.1 billion for FY2012's general budget request (tentatively the same amount as FY2011).
 And the portions pertaining to the reduction of the local burden in the U.S. forces realignment-related expenses are ¥ 7.2 billion of FY2007, ¥ 19.1 billion for FY2008, ¥ 60.2 billion for FY2009, ¥ 90.9 billion for FY2010, ¥ 102.7 billion for FY2011, ¥ 102.7 billion for FY2012's general budget request (tentatively the same amount as FY2011).
- In FY2012, the amount of ¥ 96.0 billion was requested for special budget allocations.

Changes in the three categories

General Material Expenses

Obligation Outlay Expenses

Personnel & Food Provisions Expenses

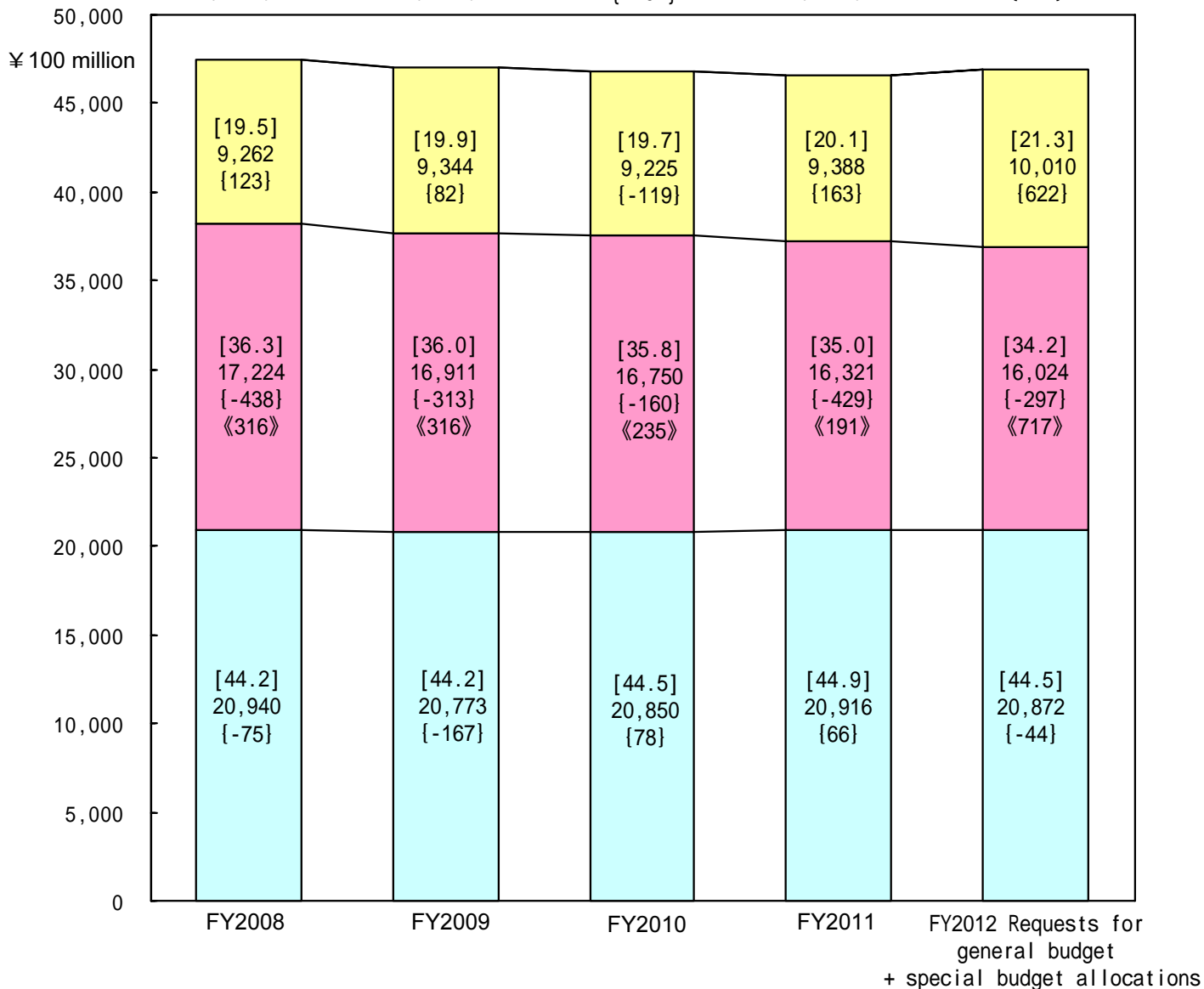
() : YR/YR growth rate (%)

[] : Share of expenses budget (%)

{ } : YR/YR increase/decrease

《 》 : Expenditures that are to be expended later on

(-0.8)	(-0.8)	(-0.4)	(-0.4)	(0.6)
47,426	47,028	46,826	46,625	46,906
{-389}	{-398}	{-202}	{-201}	{281}



Notes

- 1 : SACO-related expenses and the portion pertaining to the reduction of the local burden in the U.S. forces realignment-related expenses are excluded from this table
- 2 : In FY2012, the amount of ¥96 billion was requested for special budget allocations.

Breakdown by organization

(Unit: ¥ 100 million, %)

Classification	FY2011	FY2012 Requests for general budgets + special budget allocations	YR/YR	Growth rate
Defense expenditures	46,625	46,906	281	0.6
Ministry of Defense	46,625	46,904	279	0.6
(Ministry of Defense Head Office)	46,441	46,711	270	0.6
GSDF	17,817	17,916	99	0.6
MSDF	11,008	11,187	179	1.6
ASDF	10,602	10,452	-150	-1.4
Sub-total	39,427	39,554	128	0.3
Internal Bureau	4,844	4,866	23	0.5
Joint Staff	235	240	5	2.1
Defense Intelligence Headquarters	528	510	-18	-3.4
National Defense Academy	147	148	1	0.7
National Defense Medical College	207	218	11	5.5
National Institute for Defense Studies	16	17	1	8.3
Technical Research and Development Institute	959	1,081	122	12.7
Equipment Procurement and Construction Office	74	71	-3	-4.6
Inspector General's Office of Legal Compliance	5	5	0	5.9
Sub-total	7,014	7,157	142	2.0
(Regional Defense Bureaus)	184	193	9	4.8
Ministry of Finance	0	3	3	Approx. 2.4 times
(Ministry of Finance Head Office)	0	3	3	Approx. 2.4 times

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

Promotion of base measures, etc.

(unit: ¥ 100 million, %)

Classification	FY2011	FY2012 Requests for general budget + special budget allocations	YR/YR	Growth rate	Remarks
Promotion of base measures	< 4,276> 4,337	< 4,481> 4,456	< 205> 119	< 4.8> 2.7	
(1) Expenses related to measures for local communities	< 1,125> 1,185	< 1,188> 1,216	< 63> 31	< 5.6> 2.6	
Residential sound insulation	398	429	31	7.7	Subsidies for sound insulation work near air bases
Improvement of surrounding environment	< 727> 787	< 759> 787	< 32> 0	< 4.4> 0.0	Subsidies for living environment and facilities (river and road reconstruction, sound-proofing systems in schools, waste disposal facilities, etc.)
(2) Cost-sharing for the stationing of U.S. forces in Japan	< 1,862> 1,858	< 1,919> 1,870	< 57> 12	< 3.1> 0.6	
Special Measures Agreement	1,384	1,395	10	0.7	
Labor cost	1,131	1,139	7	0.7	Salary expenses of U.S. forces in Japan personnel
Utilities	249	249	0	0.0	Cost of utilities used at U.S. forces in Japan facilities
Training relocation cost	4	6	3	68.3	Expenses related to US field-carrier landing practice on Iwo Jima
Facility improvements	< 210> 206	< 255> 206	< 45> 0	< 21.6> 0.0	Improvement of U.S. forces in Japan facilities (barracks, etc.)
Measures for base personnel, etc.	268	270	2	0.6	Expenses related to social security contributions of employees
(3) Facility rentals, compensation expenses, etc.	< 1,289> 1,293	< 1,373> 1,370	< 85> 77	< 6.6> 5.9	Rental cost of land used for defense facility and compensation for loss of fishermen's income, etc.

Notes

1 The figures are on expenditure basis (general material expenses + obligatory outlay expenses), and figures in < > indicate contract-based amount (general material expenses + future obligation pertaining to new contract).

2 In FY2012, the amount of ¥ 12.3 billion was requested for expenditure-based special budget allocations.



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Overview of FY2012 Budget Request

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5-1 Ichigaya-Honmuracho, Shinjuku-ku,
Tokyo 162-8801
TEL: 03(3268)3111

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