



Plan for Defense Programs and Budget of Japan

Overview of FY2014 Budget



Ministry of Defense

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



Defense Programs and Budget of Japan

Overview of FY2014 Budget

- Contents -



Concept of FY2014 budget	1
1 Effective deterrence and response to various situation	2
(1) Ensuring security of the seas and airspace surrounding Japan	2
① Enhancement of information gathering, warning and surveillance capabilities in the seas surrounding Japan	
② Enhancement of warning and surveillance capability in the airspace surrounding Japan	
③ Research for the introduction of unmanned aerial vehicle(UAV)	
(2) Respond to an attack on remote islets	6
① Development of continuous surveillance capability	
② Ensuring and maintaining of air superiority	
③ Ensuring and maintaining of maritime supremacy	
④ Enhancement of rapid deployment and response capability	
⑤ Strengthen the infrastructure for command and control, and information and communications capability	
(3) Respond to ballistic missile attacks	1 4
① Respond to ballistic missile attacks	
② Respond to guerilla/special force attacks	
(4) Respond in outer space	1 6
(5) Respond in cyber space	1 7
① Improvement/enhancement of operational infrastructure	
② Human resource development	
③ Enhancement of partnerships with other countries and private enterprises	
(6) Respond to major disasters, etc.	1 9
① Maintenance/enhancement of functions of military camps/bases to serve as hubs of disaster response	
② Implementation of exercises, etc. to respond to large-scale and unconventional disasters	
③ Acquisition, etc. of equipment contributing to disaster response	
(7) Strengthen intelligence capabilities	2 0
2 Stabilization of the Asia-Pacific Region and improvement of global security environments	2 1
(1) Respond to stabilization of the Asia-Pacific Region	
(2) Appropriate to improve global security environments	
3 Strengthen Japan-U.S. alliance	2 3
(1) Measures for reducing the burden on local communities	
(2) SACO-related cost	
4 Measures concerning personnel and education	2 4
(1) Promotion of measures to secure high-quality human resources in charge of national defense	
(2) Other measures	
5 Streamlining Initiatives	2 5
(1) Review of maintenance methods	
(2) Bulk purchase of equipment	
(3) Use of civilian goods and review of specifications	
(4) Medium- to long-term measures for streamlining the procurement of equipment, etc.	
6 MOD Reform	2 8
(1) Direction of the MOD reform	
(2) FY2014 budget programs related to the MOD reform	
7 Other	3 0
(1) Restructuring and organizational quota changes	3 0
(2) Promotion of base measures	3 1
(3) Strengthen education and research system	3 2
(4) Promotion of technological research and development	3 3
Major equipment	3 5
Defense-related expenditures	4 1
Reference(FY2013 supplementary budget)	5 5

Concept of FY 2014 budget

1. Steadily improve defense capabilities in order to develop a Dynamic Joint Defense Force during FY 2014 according to the “National Defense Program Guidelines for FY 2014 and beyond” (approved by the Cabinet on December 17, 2013) and the “Mid-Term Defense Program for FY 2014 through FY 2018” (approved by the Cabinet on December 17, 2013).
2. Build defense capabilities with particular emphasis on ISR capabilities, intelligence capabilities, transportation capability, command and control, and information and communications capabilities, response to an attack on remote islets, response to ballistic missile attacks, responses in outer space and cyber space, responses to major disasters, and responses focused on international peace cooperation activities and other similar activities. These defense capabilities will allow the MOD and the SDF to seamlessly and swiftly play such roles as practicing effective deterrence and response to various situations, stabilization of the Asia-Pacific Region and improvement of global security environments while attempting to further improve the joint functions.
3. In view of the current fiscal austerity, practice efficient and rational spending in a way compatible with other national policies.

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

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

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

1 Effective deterrence and response to various situation

Build defense capabilities to ensure security of the seas and airspace surrounding Japan, respond to an attack on remote islets, respond to ballistic missile attacks, respond in outer space and cyberspace, respond to major disasters, and strengthen intelligence capabilities, and thereby, the SDF conduct effective deterrence and response to various situations.

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

Carry out continuous surveillance across wide areas, strengthen information gathering, warning and surveillance capabilities in the seas and airspace surrounding Japan, and consider the introduction of unmanned aerial vehicle (UAV), in order to make early detection of various warning signs possible.

① Enhancement of information gathering, warning and surveillance capabilities in the seas surrounding Japan

- Acquisition of fixed-wing patrol aircraft (P-1) (3 units: ¥ 59.4 billion)
 - Acquire P-1 with improved detection/discernment capability, flight performance, information processing capability, and attack capability as a successor to existing fixed-wing patrol aircraft (P-3C).



Fixed-wing patrol aircraft P-1

- Life extension of fixed-wing patrol aircraft (P-3C) (3 units: ¥1.5 billion)
 - Implement life extension measures for P-3C to maintain the posture of fixed-wing patrol aircraft

- Capability improvement for fixed-wing patrol aircraft (P-3C) (¥1.2 billion)
 - Procure devices necessary to improve capabilities of radars and infrared detection systems in order to improve detection/discernment capability of fixed-wing patrol aircraft (P-3C)



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

- Acquisition of patrol helicopters (SH-60K) (4 units: ¥24.2 billion)
 - Acquire patrol helicopter SH-60K with improved capability to detect submarines and increased attack capability as a successor to existing patrol helicopter SH-60J.



Patrol helicopter SH-60K

- Life extension of patrol helicopters (SH-60J) (2 units: ¥1.2 billion)
 - Implement life extension measures for SH-60J to maintain the posture of patrol helicopters



Patrol helicopter SH-60J

- Construction of a destroyer (DD) (1 ship: ¥ 72.9 billion)
 - Construct the second 25DD-class multi-purpose destroyer (5,000t class) with improved capability to detect submarines and higher fuel efficiency, in response to a reduction of Hatsuyuki-class destroyers



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

- Life extension of destroyers
(life extension work for 6 ships and parts procurement for 11 ships: ¥9.8 billion)
 - Implement life extension measures of Hatsuyuki-class (5 ships), Asagiri-class (5 ships), Abukuma-class (6 ships), and Hatakaze-class (1 ship) destroyers to maintain the posture of destroyers

- Construction of a submarine (SS) (1 ship: ¥ 51.7 billion)
 - Construct the 10th Soryu-class submarine (2,900t class) to increase the number of submarines from the current 16 ships.



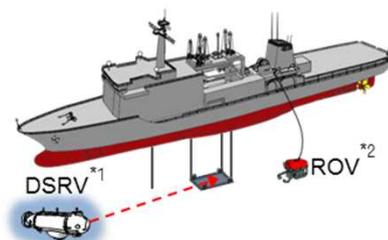
*Soryu-class submarine
(2,900t class)*

- Life extension of submarines
(life extension work for 1 ship and parts procurement for 2 ships: ¥0.5 billion)
 - Implement life extension measures for Oyashio-class submarines in order to increase the number of submarines from current 16 ships.



Oyashio-class submarine

- Construction of a rescue ship for multiple purposes, including disaster relief activities (1 ship: 50.7 billion)
 - Construct a new submarine rescue ship (ASR: 5,600 t class) to succeed the submarine rescue and tender ship “Chiyoda” for the rescue of submarine crews in case of an accident, and the provision of medical and other support to victims of a large-scale disaster.
 - In preparation for a large-scale disaster, enhance medical functions including two beds for operation and about 10 ward beds for use as a base for medical, assisted living and bathing support to victims.
 - When a water accident, etc. has occurred, divers with high level of saturation diving skill will search for missing persons while ROV will check the condition of sunken ships



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

*1 DSRV (Deep Submergence Rescue Vehicle): deep sea rescue ship that goes underwater to rescue crews from submarines in distress
*2 ROV (Remotely Operated Vehicle): remote-controlled unmanned probe to check the condition of submarines in distress and assist rescue by DSRV

- Study and research on the compatibility of ship-based unmanned aerial vehicle with MSDF vessels (¥2 million)
 - Conduct study and research on existing unmanned aerial vehicle that can be operated on a vessels, including the technical trends, flight performance of each type, operability, on-board equipment such as weapons and sensors, and compatibility with MSDF vessels with a view to their introduction.



Ship-based unmanned aerial vehicle (Graphic Image)

② Enhancement of warning and surveillance capability in the airspace surrounding Japan

- Study for the introduction of airborne early-warning (and control) aircraft (¥4 million)
 - Conduct studies on its performance, operations, etc. of new airborne early-warning and control aircraft or airborne early-warning aircraft toward their introduction so as to enhance the warning and surveillance capability in the surrounding airspace, Including the Southwest region.

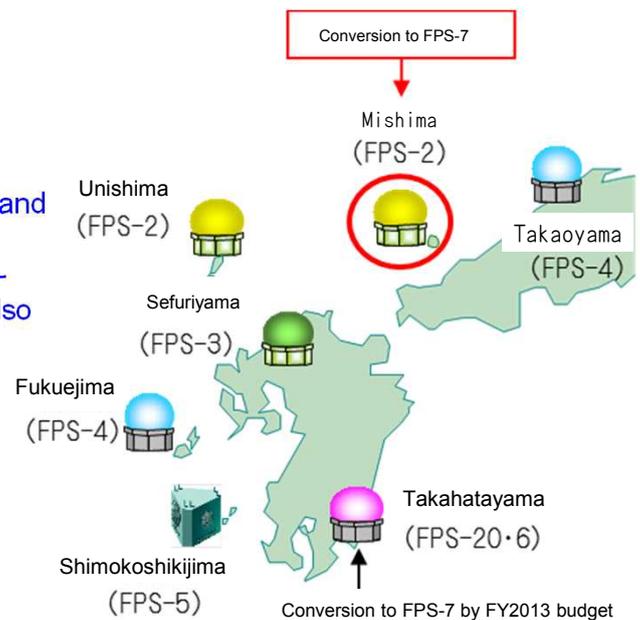
*Start a full-fledge research study with the purpose of requesting the budget related to the introduction of new airborne early-warning and control aircraft or airborne early-warning aircraft in FY2015.

- Improvement of the capability of Airborne Warning And Control System (AWACS)(E-767) (¥13.7 billion)
 - Implement a project for the conversion of central computing devices, etc. and installation of electronic warfare support measures in order to improve the warning and control capability of the existing E-767.
 - Acquire necessary parts for improving the capability of 4 aircraft in FY2014.



*Airborne Warning And Control System (AWACS)
E-767*

- Conversion of Fixed Air Defense Radar (FPS-7) and addition of BMD function (1 unit: ¥4.9 billion)
 - Replace the current FPS-2 radar at Mishima sub-base(Yamaguchi Prefecture) with FPS-7 while also adding BMD response function.



Conversion of Fixed Air Defense Radar (FPS-7)

③ Research for the introduction of unmanned aerial vehicle(UAV)

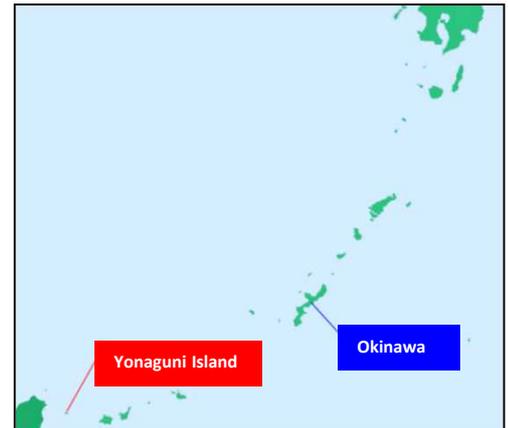
- Research for the introduction of UAV (¥0.2 billion)
 - Carry out analysis of performance information, operations etc. for UAV that would contribute to improved wide-area persistent ISR capability, and limiting danger to and burdens on crews.
- * Start a full-fledged research study with the purpose of requesting the budget related to the acquisition of long endurance UAV in FY2015.

(2) Respond to an attack on remote islets

In order to respond to attacks on remote islets, develop continuous surveillance capability, ensuring and maintaining air superiority and maritime supremacy, improve rapid deployment and response capability like transport capability and amphibious capability, and enhance the infrastructure for command and control, and information and communications capability.

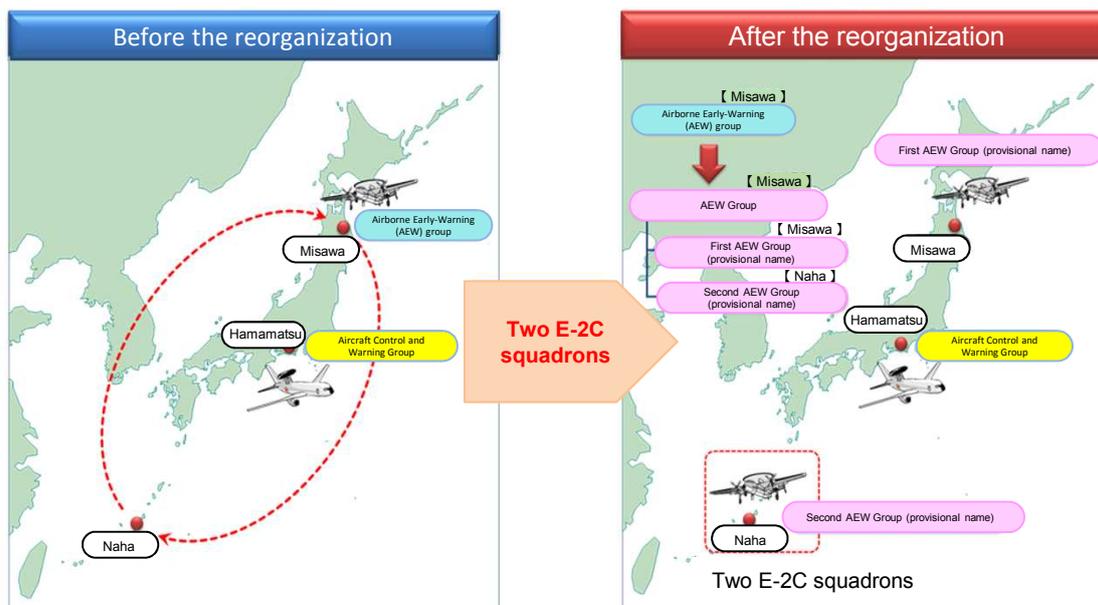
① Development of continuous surveillance capability

- Deployment of a coastal observation unit, etc. to Yonaguni Island (¥15.8 billion)
 - Acquire early detection coastal observation devices capable of observing ships and aircraft passing through surrounding areas in preparation for the establishment of the coastal observation unit.
 - In addition, start the construction of various facilities for the unit based on the design and site preparation works which is to be implemented in FY2013.



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

- Study for the introduction of airborne early-warning (and control) aircraft (repost)
- Reorganization of the AEW group
 - In order to develop a system for stable implementation of unceasing and continuous warning and surveillance in the southwest region, reorganize the AEW group to establish the second Airborne Early-Warning Group (provisional name) consisting of AEWA (E-2C) at Naha Base.



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

② Ensuring and maintaining of air superiority

- Acquisition of fighter aircrafts (F-35A) (4 units: ¥63.8 billion*)

* ¥42.5 billion is allocated separately as the initial expense for expanding the industrial participation of domestic corporations.

* ¥38.3 billion is allocated separately for other related expenses (equipment for education, etc.)



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

- Development of education/training facilities for stationing next-generation fighters (F-35A) at Misawa (¥2.7 billion)
- Fighter aircraft upgrades (¥35.0 billion) Upgrade capabilities of existing fighters to adapt to the modernization of the aerial combat capabilities of neighboring countries and to appropriately carry out air defense operations.
 - Modernize F-15 (12 units: ¥15.1 billion)
 - Upgrade on-board NVG*1 of F-15 (1 unit: ¥80 million)
 - Improve F-2 air-to-air combat capability (¥12.6 billion*2)
 - Add JDAM*3 function to F-2 (4 units: ¥1.1 billion)
 - Trial upgrading of F-2 with on-board targeting pod (1 unit (trial upgrading expense: ¥6.1 billion*4))



F-15 fighter aircraft



F-2 fighter aircraft

- *1 NVG (Night Vision Goggles): night vision equipment
- *2 Including acquisition of radars for upgrading (30 sets: ¥8.8billion) in addition to fuselage upgrading (12 units: ¥3.7billion)
- *3 JDAM (Joint Direct Attack Munition): bomb with pinpoint guidance
- *4 Several hundred million yen per unit is expected for mass upgrading.



Example of targeting pod operation (Graphic Image)

* LJDAM : Laser Joint Direct Attack Munitions

- Development of facilities and acquisition of maintenance equipment to increase the number of squadrons at Naha Air Base to 2 (ASDF) (¥ 5.4 billion)
- Acquisition of rescue helicopter (UH-60J)(3 units: ¥11.7 billion)
- Acquisition of Type-03 medium-range surface-to-air missile (SAM)(1 company: ¥17.5 billion)

③ Ensuring and maintaining of maritime supremacy

- Acquisition of fixed-wing patrol aircraft (P-1) (repost)
- Life extension of fixed-wing patrol aircraft (P-3C) (repost)
- Acquisition of patrol helicopters (SH-60K) (repost)
- Life extension of patrol helicopters (SH-60J) (repost)
- Construction of a destroyer (DD) (repost)
- Life extension of destroyers (repost)
- Construction of a submarine (SS) (repost)
- Life extension of submarines (repost)
- Construction of a rescue ship for multiple purposes, including disaster relief activities (repost)
- Construction of an ocean minesweeper (1 ship: ¥ 17.7 billion)
 - Construct the second 25MSO-class ocean minesweeper (690t class), based on a FRP hull while enhancing its detecting capabilities against submarine-targeted deep-water mines.



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

- Acquire Type-12 surface-to-ship missile with improved range and accuracy as a successor to the existing Type-88 surface-to-ship missile (4 companies(16 units): ¥30.9billion)



*Type-12 surface-to-ship
missile*

④ Enhancement of rapid deployment and response capability

Enhancement of transportation capability and mobility for rapid deployment

- Research study for the introduction of tilt-rotor aircraft (¥0.1 billion)
(Including cooperation with U.S. Forces training outside Okinawa prefecture)
 - Conduct studies on its performance, training methods, operations, and infrastructure development after the introduction as well as equipment needed to cooperate with U.S. Forces.
 - * Start a full-fledged study with the aim of requesting the budget related to the acquisition of tilt-rotor aircraft in FY2015.



*Tilt-rotor aircraft
(Graphic Image)*

- Restoration of transport helicopters (CH-47J) to maintain the current level of airlift capacity (1 unit: ¥3.6 billion)
 - Extend the total flight time of transport helicopters (CH-47J) to that of new ones while extending their flying range

- Acquisition of transport aircraft (C-2) with improved flying range and increased cargo weight capacity, which will contribute to large-scale deployment, as a successor to existing transport aircraft (C-1) (2units:¥ 39.8 billion)



Transport aircraft (C-2)

- Promotion of measures enhancing civilian transport capacity
 - Implement exercises actively using civilian transport capacity (charter ships) in order to enhance mobile deployment capabilities (GSDF) (¥1.2 billion)
 - Study on measures to utilize civilian transport capacity in mobile deployment (JS) (¥40 million)

- Army-size field training exercises (GSDF)
 - In order to ensure prompt and effective response to various contingencies including a possible attack on remote islands, implement unit deployment exercises at army level to enhance its mission readiness.

- Combined long-distance Mobilization Exercise (GSDF)
 - Implement unit deployment exercises to, Kyushu and Okinawa, as well as Hokkaido which have ideal training environments, to accomplish MSDF and ASDF coordination training.



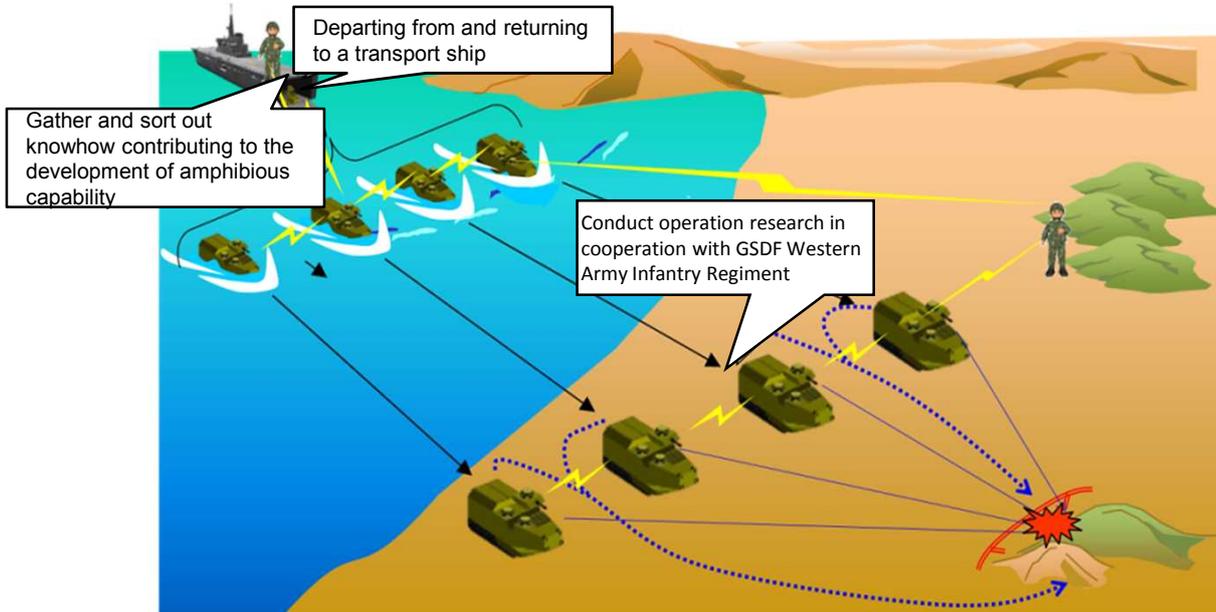
Transportation using a civilian ship

- Implementation of Japan-U.S. bilateral joint exercise (Keen Sword) (JS)
 - In order to ensure a smooth Japan-U.S. bilateral response for the defense of Japan, implement field training exercises that include maritime and air operations and mobile deployment of units at sea, airspace surrounding Japan, and bases in order to maintain and enhance coordination procedures at the unit-level between the two forces.

- Implementation of joint logistics exercise (JS)
 - Conduct training exercise focusing on logistical units deployment, logistics cooperation, supply and patients transport in order to immediately respond to various situations.

Development of amphibious capability

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



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

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



Equipment for emergency escape training (Graphic Image)

- Enhancement of vessel's amphibious capabilities (¥0.3 billion)
 - Upgrade MSDF Osumi-class LST to enhance transport capability related to amphibious operations.
 - In FY2014, apply nonslip paint on three of the Osumi-class transport vessel's LCAC decks, which is necessary for the storage of amphibious vehicles, in order to build-up immediate response posture towards attacks on remote islets, in addition to trial design, etc. for large-scale refit in the future.
 - In order to strengthen command functions in amphibious operations, install electronic conference equipment, etc. in the multi-purpose compartment of Izumo-class destroyer.



Izumo-class destroyer



Osumi-class LST

- Purchase of samples of amphibious vehicle (2 units: ¥1.7 billion)
 - Begin development of amphibious capability to recapture remote islets in preparation for response to illegal operations and island invasions.
 - In FY2013 budget, acquire sample AAV7RAM/RS (personnel transport) based on its performance, including mobility at the sea and protection capability, operation records in other countries, availability to early acquire, etc.
 - In FY2014, in addition to checking the performance and testing the operation method of AAV7RAM/RS mentioned above, acquire additional variations; one command and communication vehicle, and one recovery vehicle.
- Implementation of field training exercises in the U.S. for enhancement of amphibious capability
 - Bilateral field training exercise with U.S. Marine Corps in the U.S. (Iron Fist) Send GSDF units to the area around Camp Pendleton, California, USA, in order to maintain and improve tactical capabilities necessary for operations on remote islets as well as enhance mutual cooperation with U.S. Marine Corps through actual actions.
- **GSDF's participation in RIMPAC**
 In addition to MSDF, which has been participating in the exercise, also send GSDF units to the Rim of the Pacific Exercise (RIMPAC), which is organized by the U.S. Navy and has many participating countries, to engage in various exercises, including humanitarian assistance and disaster relief operations, together with the U.S. Marine Corps and other participants.



Amphibious vehicle
(command & communication)
(Graphic Image)



Amphibious vehicle
(recovery)
(Graphic Image)



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

Improvement of SDF posture in the southwest region of Japan

- Acquire a variety of equipment for early enhancement of defense posture in the southwest region
 - Acquire Type-12 surface-to-ship missile (repost)
 - Acquire middle-range multi-purpose missiles (18 sets: ¥7.2 billion)
 - Acquire LJDAM guidance system (9 sets: ¥0.3 billion)
 Equip GSDF with laser guidance systems to provide ground-based guidance for LJDAM* dropped by ASDF F-2 and conduct joint fire power guidance by GSDF and ASDF
 * LJDAM : Laser Joint Direct Attack Munitions
 - Acquire 60mm mortar (B) (6 sets: ¥10 million)



Middle-range
multi-purpose missile



L JDAM guidance system
(Graphic Image)



60mm mortar (B)

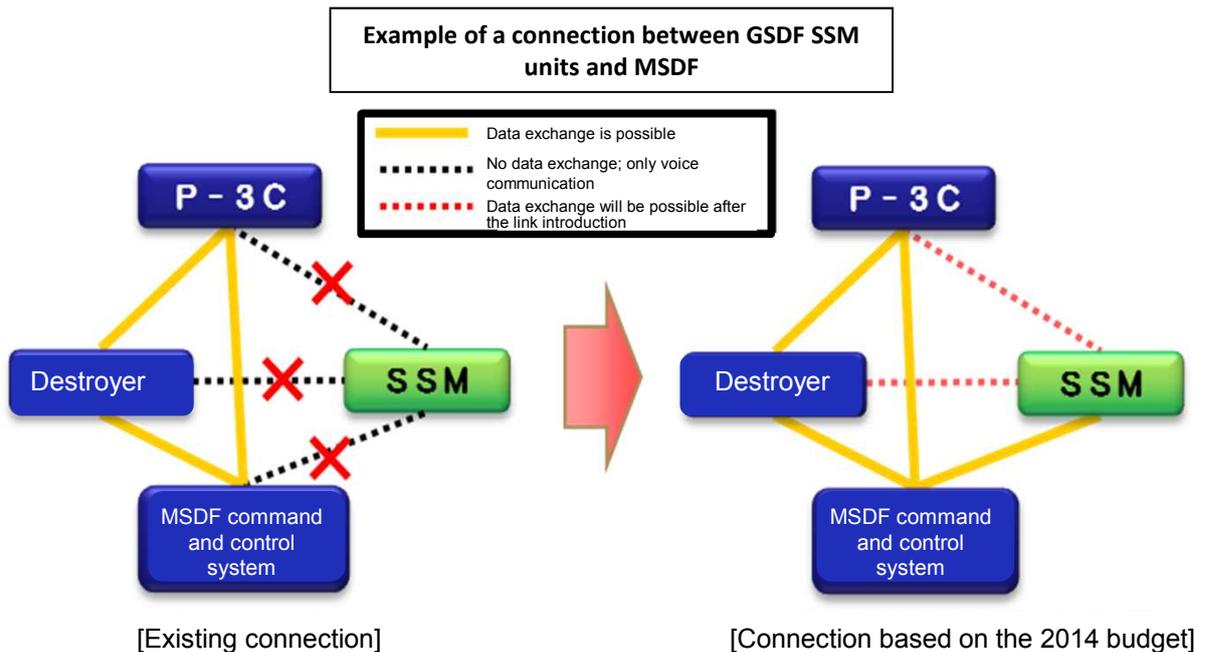
- Study the establishment of first response units (¥60 million)
 - Develop a basic concept* for the establishment of first response units in charge of initial response in order to ensure response to various situations, including disasters in the southwestern region based on the results of the potential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

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

○ Improvement of command, control and communication functions

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

- Improve air defense and the firing command and control system to enable cooperation with the MSDF and ASDF for effective air defense and anti-ship warfare by GSDF in the southwest region.
 - ▽ Acquire an air defense command and control system ^{*1} (1 sets: ¥3.2 billion)
 - ▽ Acquire a firing command and control system ^{*2} (2 sets: ¥2.9 billion)
 - ▽ Connect the firing command and control systems to MSDF's command and control system (¥90 million)
- In addition, conduct studies and research on the introduction of a data link function with GSDF SSM (surface-to-ship missile) units in order to share target information, etc. with MSDF and ASDF units in real time.
 - ▽ Study and research on the introduction of a data link function (¥40 million)



*1 Air defense command and control system

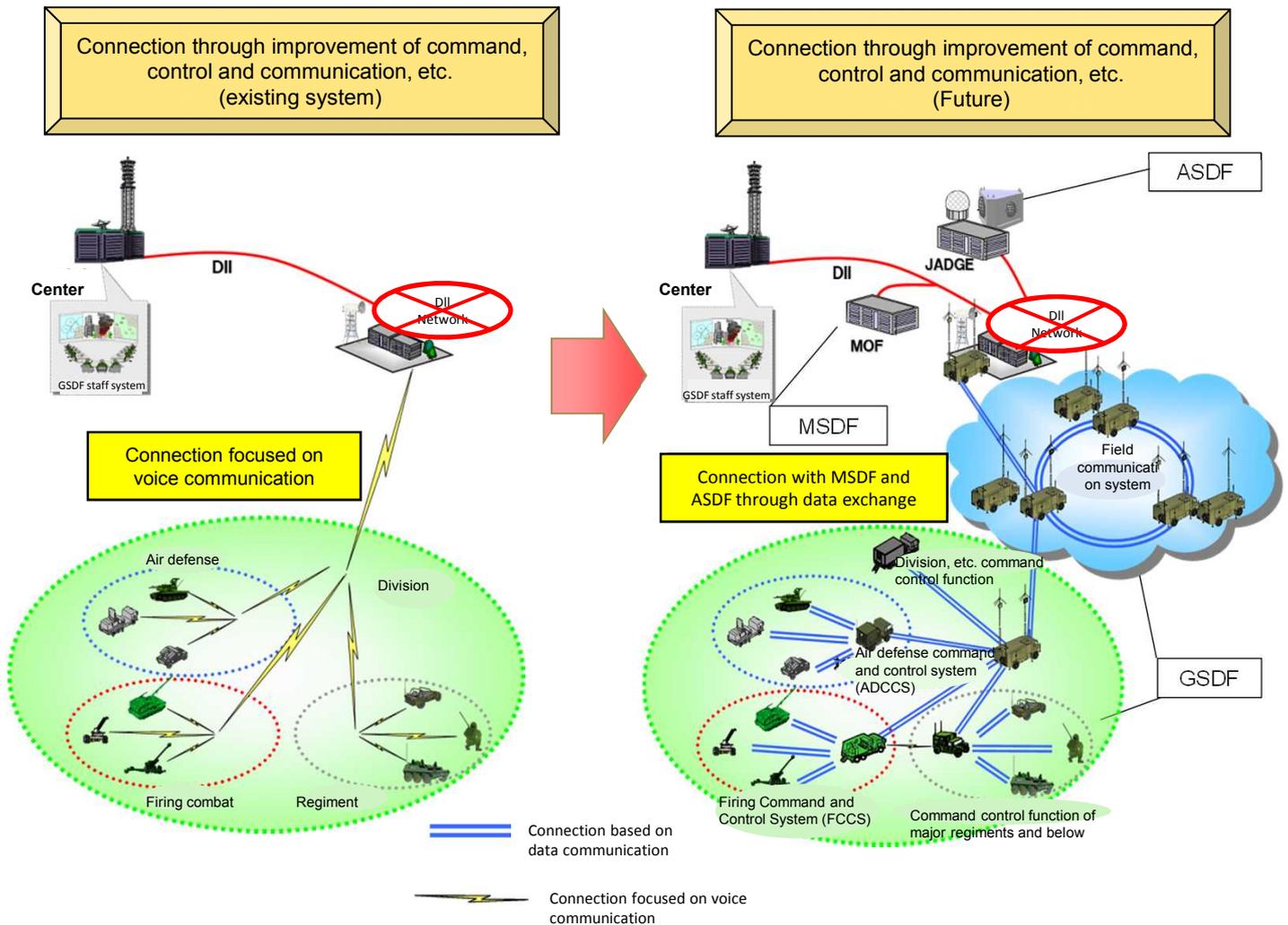
System installed in anti-aircraft artillery units of GSDF Army, divisions and brigades for speedy and accurate collection, processing and communication of target information and air defense command and control

*2 Firing command and control system

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

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

▽ Integrate field command communication systems (¥5.8billion)



- Technical study and PFI feasibility study on successor to the current X-Band communications satellite (Superbird C2) (¥ 60 million)
- Study on protection of satellite communication system from jamming (¥10 million)
 - Research on analysis methods of interfering signals that affect satellite communications systems
- Improving the function of the X-band communication satellite (¥11.2 billion)
 - Development of communication equipment for information sharing that contributes to quick situational awareness and control, by utilizing high-speed and large-volume network enabled by X-band satellites communications network restructure.

(3) Respond to ballistic missile attacks

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

① Respond to ballistic missile attacks

BMD-related budget: ¥60.6 billion

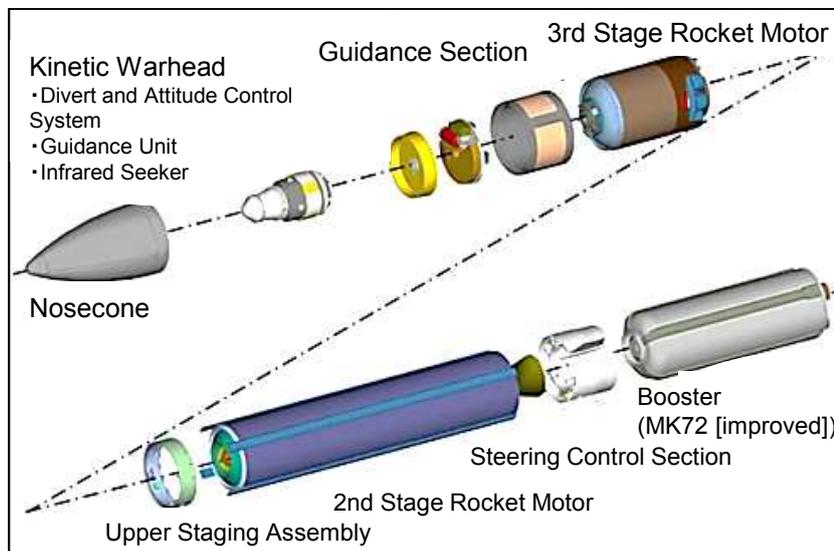
- Upgrade of Aegis ships' capability (2 ships: ¥10.3 billion)
 - Continue upgrading two Atago-class destroyers with ballistic missile defense capability, which started in FY2012.



Atago-class destroyer "Ashigara"

- Acquisition of PAC-3 missiles (¥11.6 billion)
 - Acquire necessary PAC-3 missiles and enhance defensive capabilities against ballistic missile attacks.

- Japan-U.S. cooperative development of Advanced BMD Interceptor Missile (SM-3 Block IIA) (¥5.2 billion)
 - To improve capabilities against ballistic missile attacks, Japan and the U.S. will continue their cooperative development of an Advanced BMD Interceptor Missile (SM-3 Block IIA) to be deployed on Aegis ships.



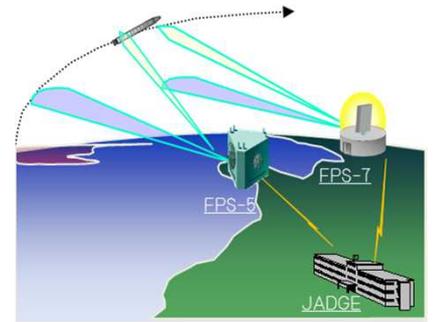
Advanced BMD Interceptor Missile (SM-3 Block IIA)

- Development of infrastructure for PAC-3 units deployment to Ichigaya Base (¥1.7 billion)
 - Based on the past examples of PAC-3 units deployment at the launch of missile purported to be satellite by North Korea in the year 2012, etc. develop infrastructure for their deployment at Ichigaya Base.



PAC-3 deployed at MOD (Ichigaya Base)

- Conversion of Fixed Air Defense Radar (FPS-7) and addition of BMD function (repost)



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

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

② Respond to guerilla/special force attacks

- Acquisition of Light armored vehicles (30 units: ¥ 1 billion)

- Acquisition of 84mm recoilless rifles (B) (24 units: ¥ 0.3 billion)
 - Equip infantry, etc. with the rifles to defend important facilities while flexibly responding to a variety of contingencies, including special forces attacks.



84mm recoilless rifles (B)

- Acquisition of combat clothing and equipment (9,000 sets: ¥4.2 billion)
 - Use them in field and urban environments for secretive, nimble and agile actions while ensuring the safety of the personnel.



Combat clothing and equipment

- Acquisition of nuclear/biological/chemical (NBC) Reconnaissance vehicle(1 unit: ¥0.8 billion)
 - Acquire NBC reconnaissance vehicle to improve wide-area reconnaissance capability in response to (NBC) attacks, special disasters, etc.



Personnel protection equipment



NBC reconnaissance vehicle

- Acquisition of personnel protection equipment (9,700 sets: ¥1.9 billion)
 - Acquire personnel protection equipment to enhance protection and quick reaction capabilities of personnel in an environment contaminated by an attack with special weapons or certain natural disasters.



Exercise related to Civil Protection



Cooperative exercises with the police

- Exercises related to Civil Protection
- Cooperative exercises with the police

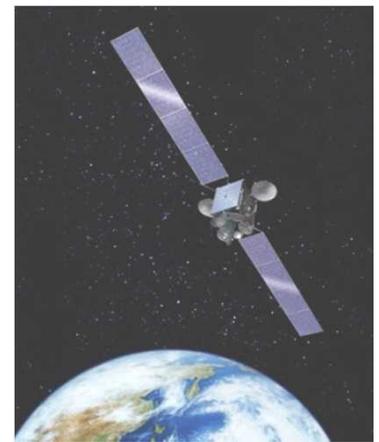
(4) Respond in outer space

Strengthen information collection capability, command, control and telecommunications by using satellites, and enhance the survivability of satellites through such initiatives as space situational awareness.

Space Programs

Space-related budget: ¥54.1 billion

- Research for the enhancement of C4ISR functions through the use of outer space resources (¥0.4 billion)
 - Technical study and PFI feasibility study on successor to the current X-Band communications satellite (Superbird C2) (repost)
 - Study on protection of satellite communication system from jamming (repost)
- Use of satellite communication (¥19.6 billion)
 - Improvement of X-Band satellite communications, lease of transponders for communications satellites, etc.
- Use of commercial imagery satellites (¥8.2 billion)
 - Receive commercial satellite imagery, etc
- Use of meteorological satellite information (¥6 million)
- Send personnel to the U.S. Air Force Space Fundamentals Course (¥9 million)
- Response to ballistic missile attacks* (¥26.0 billion)
 - *Space-related programs

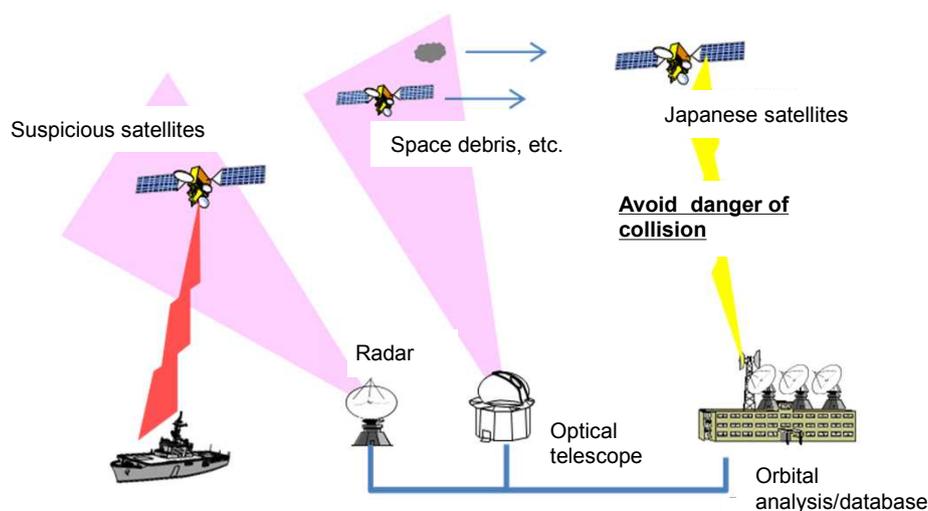


Commercial communications

satellite Superbird C2

Initiatives for outer space monitoring

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



Space Situational Awareness System (Concept Image)

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

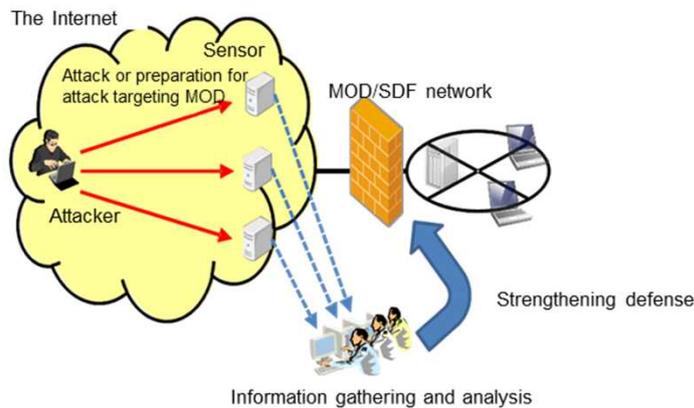
(5) Respond in cyber space

In order to secure continuously sufficient cyber security against cyber attacks, enhance joint persistent surveillance and response capability, and strengthen and secure human resources with expert knowledge and skills and latest equipment in a constant manner.

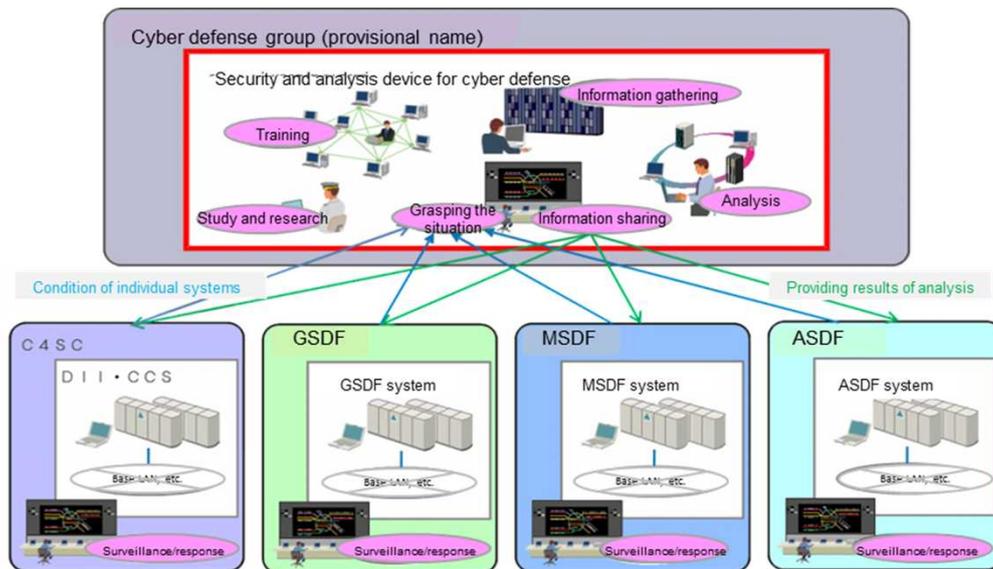
① Improvement/enhancement of operational infrastructure

Cyber-related budget:
¥20.5 billion

- Development of cyber information gathering devices (¥1.2 billion)
 - Develop information gathering devices that will help early detection and prevention of cyber attacks as threats in the cyberspace become increasingly complex and sophisticated.

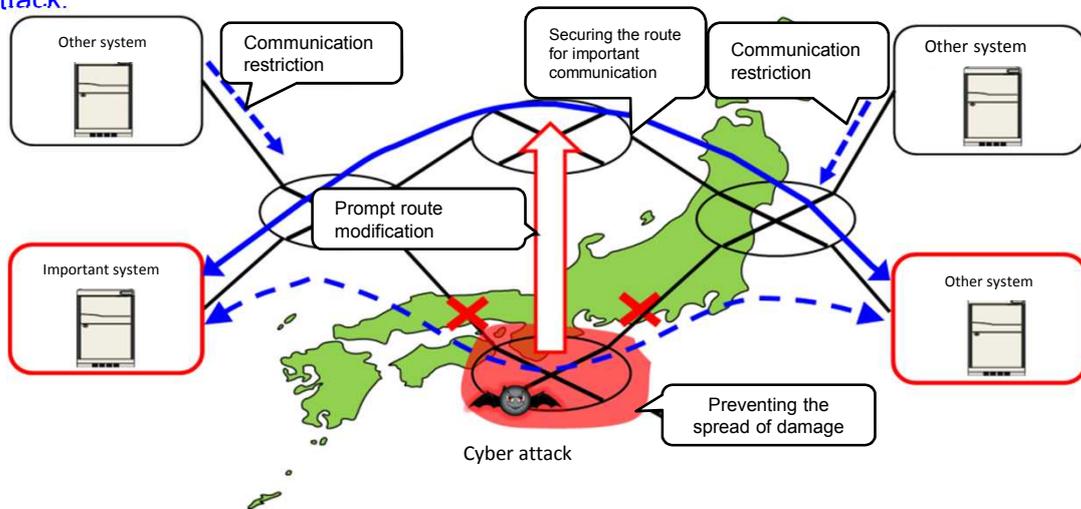


- System design of security and analysis devices for cyber defense,* etc. (¥1.2 billion)
 - Design a system for integrated response to cyber attacks targeted at the MOD so as to convert security and analysis devices for cyber defense.



- Improve functions of the security and analysis devices for cyber defense (¥0.3 billion)
 - Devices equipped with information collection, analysis and response/exercise functions concerning cyber attacks
- Development of Defense Information Infrastructure (DII) (¥12.8 billion)
 - Strengthen information sharing functions while enhancing security by applying the latest technology to the closed system of DII that is essential for secure command communications and prompt information sharing among the MOD and respective SDF units, and improve system security.

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



② Human resource development

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

③ Enhancement of partnerships with other countries and private enterprises

- Enhancement of partnerships with various countries (¥10 million)
 - Working-level regular meetings on Japan-U.S. Information Assurance Working Group between Japan and the United States
 - Interoperability Management Board
 - Liaison conference of Pacific communication managers
 - International conference on cyber conflicts
 - Japan U.S. IT forum
- Enhance partnerships with private enterprises (¥90 million)
 - Establish specific and effective guidelines for coordination between MOD and the defense industry to respond to cyber attacks
 - Introduce a new public-private information sharing system for MOD and the defense industry to promptly, efficiently and effectively share information concerning response to cyber attacks and to ensure information security

(6) Respond to major disasters, etc.

In the event of various disasters, by establishing a rotating staffing posture based on a joint operational approach, develop posture sustainable for long-term operation, as well as swiftly transport and deploy appropriate size of units.

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

- Seismic retrofitting, etc. for maintaining and strengthening functionality during disaster periods (¥20.4 billion)

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

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

③ Acquisition, etc. of equipment contributing to disaster response

Improvement of disaster response capability

- Research study for the introduction of tilt-rotor aircraft (repost)
- Purchase of samples of amphibious vehicle (repost)
- Construction of a rescue ship for multiple purposes, including disaster relief activities (repost)
- Restoration of transport helicopters (CH-47J) to maintain the current level of airlift capacity(repost)
- Acquisition of transport aircraft (C-2) (repost)
- Acquisition of rescue helicopter (UH-60J) (repost)
- Acquisition of mobility supporting bridge, 07MSB (1 set: ¥1.2 billion)



Rescue helicopter (UH-60J)



Mobility support bridge, 07MSB

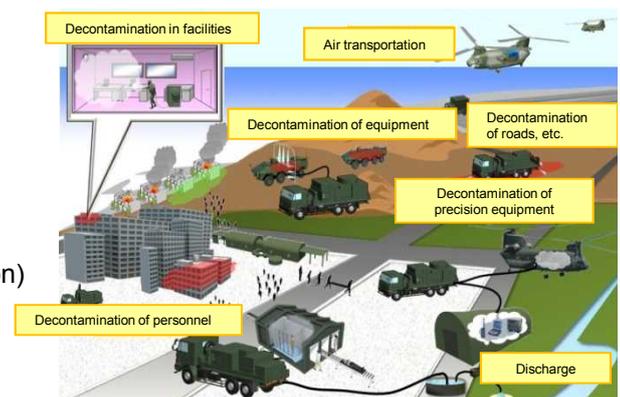
Enhancement of capabilities to respond to Nuclear, Biological, and Chemical (NBC) weapons

- Prevention of epidemics to perform operations in contaminated areas
 - Acquire smallpox vaccines (200 boxes: ¥4 million)
- Detection/identification of contaminated substances
 - Acquire NBC reconnaissance vehicle (repost)
 - Acquire various types of dose-rate meters (142 sets: ¥0.4 billion)
 - Acquire NBC Alarms (1 sets: ¥0.2 billion)
- Protection from contaminated substances
 - Acquire personnel protection equipment (repost)
 - Acquire chemical protective apparel (699 sets: ¥ 0.1 billion)
- Decontamination of contaminated substances
 - Develop new decontamination equipment (¥0.2 billion)



γ -ray counter Neutron counter α/β -ray counter

Dose-rate meters



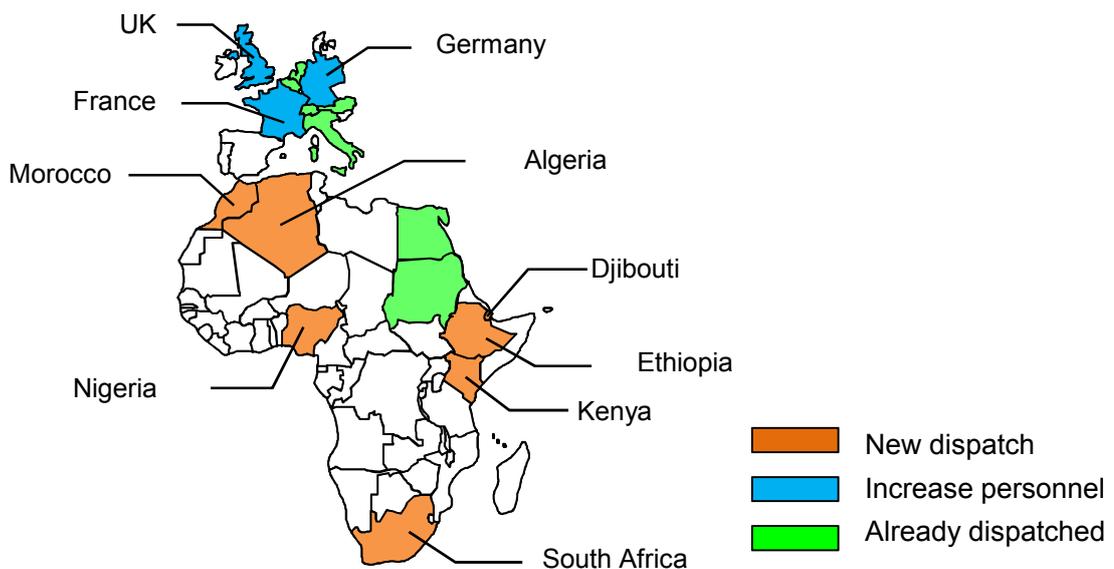
An example of the use of new decontamination equipment (Graphic Image)

(7) Strengthen intelligence capabilities

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

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

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



Dispatch of Defense Attaché to Africa, etc.

*In addition, a Defense Attaché will be sent to Brazil for the first time in Latin America, where currently no Defense Attaché is assigned.

- Establishment of the “Intelligence Capability Development Office (provisional name)” at the Defense Intelligence Division, Bureau of Defense Policy
 - Enhance the system for planning basic policies concerning human intelligence functions, including the Defense Attaché, and supporting their activities.
- Enhancement of training of Defense Attaché candidates
 - Enhance training of Defense Attaché candidates to improve their information gathering/analysis and negotiation capabilities.
- Expansion of database for geospatial intelligence
 - Expand the database for geospatial intelligence with a special emphasis on the likely regions to suffer from a terrorist attack including North Africa.
- Enhancement of research on geospatial intelligence
 - Enhance the research posture, etc. for sophisticated and efficient development and utilization of geospatial intelligence at the Defense Intelligence Headquarters.

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

In order to ensure the stability of the Asia-Pacific Region, strengthen its bilateral and multi lateral cooperative relationships, and in order to address the global security challenges properly, proactively engage in international peacekeeping and other similar activities, as well as conduct such activities as trainings and drills in an appropriate time and place.

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

- Promoting capacity building support to militaries or related organization in South East Asian countries
 - Take initiatives in the promotion of human resource development and capacity enhancement in the field of security such as humanitarian assistance and disaster relief for militaries or related organization in relevant countries.

- Promoting bilateral, trilateral and multilateral defense cooperation and exchanges, including those with Australia, ROK and India, as well as Japan-U.S.-ROK and Japan-U.S.-Australia defense cooperation.

- Promotion of defense exchange and cooperation with China, including beginning the operation of the Maritime communication mechanism.

- Promotion of defense exchange/cooperation with Russia by holding a Foreign and Defense Ministers' (2+2) talk, etc.

- Initiatives under the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus)
 - Actively enhance regional defense and security cooperation through the defense ministers' Meeting, which is the only official meeting of its kind in the Asia-Pacific.

- Participating in Pacific Partnership (PP) 2014
 - Visit countries in the Asia-Pacific region to provide medical services, hold intercultural events, etc. Through cooperation with governments, militaries, international organizations, and NGOs, the PP strengthens partnerships among participating countries and facilitates international disaster relief operations.



Capacity building project in Timor Leste



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



Pacific Partnership

(2) Appropriate to improve global security environments

Enhancement of capability to conduct overseas activities

- Armored personnel carrier development (improved) (4.8 billion)
 - In order to respond to a variety of threats accompanying international peace cooperation activities, attacks on remote islets, etc. develop transportable and maneuverable armored personnel carrier (improved) with improved mobility (including traveling on rough roads) and enhanced protection capability as a successor to Type-96 armored personnel carrier



*Armored personnel carrier (improved)
(Graphic Image)*

- Participation in multilateral exercises
 - Multilateral exercises, such as Cobra Gold, related to UN peacekeeping activities
- Participation in an international mine-countermeasures exercise hosted by the U.S. Navy
 - Implement a multilateral mine-countermeasures exercise in the Persian Gulf in order to improve skills in minesweeping and diving while simultaneously promoting mutual understanding with participating navies



*Water purification system that
can turn seawater into potable
water*

- Acquisition of water purification systems that can turn seawater into potable water (GSDF) (3 sets: ¥0.3 billion)

Ensuring maritime security

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

Initiatives for international community efforts

- Sending instructors to the PKO Centers in Africa
 - SDF sends personnel as instructors in order to educate PKO personnel of African countries to improve their peacekeeping capabilities and to maintain the stability of the region.
- Participation in PSI* interdiction exercises
 - Maintain and increase the capability to provide a coordinated response among the MOD/SDF, relevant organizations, and concerned countries against the proliferation of weapons of mass destruction, etc.

* PSI (Proliferation Security Initiative): Security concept against proliferation
- Dispatch of SDF engineer units to PKO in South Sudan
 - SDF conducts peace keeping operations; infrastructure development such as maintaining roads.

3 Strengthen Japan-U.S. alliance

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

(1) Measures for reducing the burden on local communities

¥ 110.0 billion

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

- Funding for projects necessary for the relocation of U.S. Marine Corps from Okinawa to Guam, etc. (¥1.4 billion)
- Design costs of Andersen South training area (¥1.0 billion)



Guam Island

Realignment of U.S. forces Japan (¥108.5 billion)

- Relocation of MCAS Futenma (¥2.1 billion)
 - No budget is currently set aside for designing and constructing replacement facilities.
 - Set aside designing and construction budgets that will allow continuation and completion of ongoing aboveground constructions within Camp Schwab unrelated to the construction of replacement facilities.
 - Consider the use of various financial sources including reserve funds and non-specific obligatory assurance of national subsidization for a multiyear construction project, as necessary.
- Return of lands south of Kadena Air Base (¥0.3 billion)
- Relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni, etc. (¥90.4 billion) (MCAS Iwakuni, Field Carrier Landing Practice (FCLP) facility, etc.)
- Relocation of training for U.S. aircraft to mainland Japan and Guam from Kadena Air Base and other airfields (¥4.9 billion)
- Community development measures (realignment grants, etc.) (¥10.8 billion)



MCAS Futenma

(2) SACO-related cost

¥ 5.4 billion

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

4 Measures concerning personnel and education

In order to secure high-quality human resources (ex. SDF personnel, SDF reserve personnel) in charge of national defense while enhancing their strength, Japan will execute a comprehensive plan for recruitment, reemployment of SDF personnel, securing of SDF reserve personnel and other necessary measures.

(1) Promotion of measures to secure high-quality human resources in charge of national defense

Enhancement of recruitment program

- Improvement/enhancement of recruitment functions (¥50 million)
 - Communicate information properly and conduct public relations for recruitment in response to the changing timesImprove and enhance recruitment functions including effective communication of information to prospective candidates through Smartphones

Enhancement of reemployment support programs

- Improvement/enhancement of job training and public relations for reemployment support (¥50 million)
 - Allow personnel to take multiple training courses, etc.In order to improve benefits for SDF personnel planning to retire, increase the number of distance-learning courses that they can take, add courses for female personnel, for example.

Securing SDF reserve personnel

- Improvement/enhancement of publication of SDF reserve personnel system and improvement of their training infrastructure (¥60 million)
 - Improve public relations targeted at companies employing SDF reserve personnel, etc. Expand the program for employers to observe SDF reserve personnel training to middle management.Develop public relations leaflets for use by SDF reserve personnel in their workplaces
 - Improve clothing, accouterments
- Promote improvement of clothing, accouterments to ensure more effective operation of SDF reserve personnel.

(2) Other measures

Honors and privileges

- Expansion of the Defense Meritorious Badge program (¥40 million)
 - Establish Defense Meritorious Badges for meritorious deeds of units
 - Change the shape of Defense Meritorious Badges for ceremonial use

Personnel management system reform

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

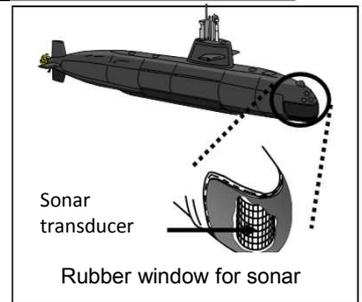
5 Streamlining Initiatives

Various initiatives will be promoted to further rationalize and streamline equipment acquisition and ensure greater fairness of procurement and save approx. ¥66.0 billion in FY2014 and after.

(1) Review of maintenance methods

Streamline maintenance costs by extending periodic maintenance intervals

- Extension of conversion interval of Sonar Dome rubber windows for submarines
Reduce the number of units to be procured by extending the replacement interval from 9 to 12 years.
(Expected saving by FY2018: ¥0.5 billion)
(Expected saving in FY2014: ¥0.15 billion)
- Extension of maintenance interval of gas turbine engines for vessels
Extend the interval of periodic maintenance for main engines, etc. of destroyers.
(Expected saving by FY2018: ¥1.6 billion)
(Saving is not expected in FY2014 because the extension starts in FY2016 after a trial)
- Extension of overhaul interval of minesweeping/transport helicopter (MCH-101) engines
Extend engine overhaul interval by extending the useful life of parts.
(Expected saving by FY2018: ¥0.4 billion)
(Saving is not expected in FY2014 because no project is planned in the year)
- Extension of periodic maintenance interval of transport aircraft (C-130H)
Extend the interval of periodic maintenance from the current 36 months to 45 months.
(Expected saving by FY2018: ¥4.5 billion)
(Expected saving in FY2014: ¥2.2 billion)



Sonar Dome rubber windows for submarine



Destroyer (Akizuki)



Minesweeping/transport helicopter (MCH-101)



Transport aircraft (C-130H)

(2) Bulk purchase of equipment

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

- Bulk purchase of Type-12 surface-to-ship missile
4 companies(16 units): ¥38.8 billion → ¥30.9 billion
(Expected saving: ¥8.0 billion)
- Bulk purchase of battle training apparatus
22 sets: ¥14.2 billion → ¥13.0 billion
(Expected saving: ¥1.1 billion)



Type-12 surface-to-ship missile



Battle training apparatus

- Bulk purchase of upgrade kits of Close in Weapon System for destroyers: Phalanx CIWS upgrade kits for 23 destroyers for 23 destroyers: ¥39.1 billion→ ¥22.7 billion (Expected saving: ¥16.5 billion)



CIWS

- Bulk purchase of equipment for function improvement of short-range SAM system on Takanami-class destroyers
Equipment to upgrade the vertical launch systems (VLS) for 5 destroyers
5 sets: ¥6.6 billion → ¥3.9 billion (Expected saving: ¥2.7 billion)



Short-range SAM system on Takanami-class destroyer

- Bulk purchase of radars with improved capability for fighters (F-2)
30 sets: ¥10.0 billion → ¥8.8 billion (Expected saving: ¥1.1 billion)



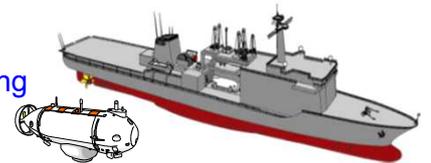
F-2 fighter aircraft

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

(3) Use of civilian goods and review of specifications

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

- Use commercial ship specifications and civilian goods when building a rescue ship for multiple purposes, including disaster relief activities (Expected saving: ¥4.9 billion)
- Use cost effective devices for upgrading radar on P-3C (Expected saving: ¥1.4 billion for 4 sets)
- Substitute harbor radio telephone by commercial telephone (Expected saving: ¥0.6 billion)



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



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

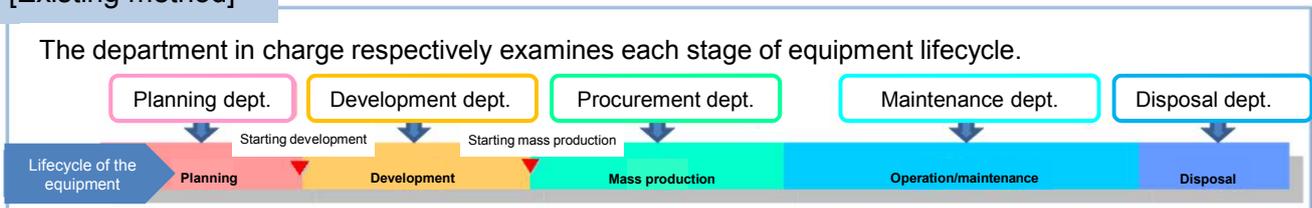


Antenna for harbor radio telephone

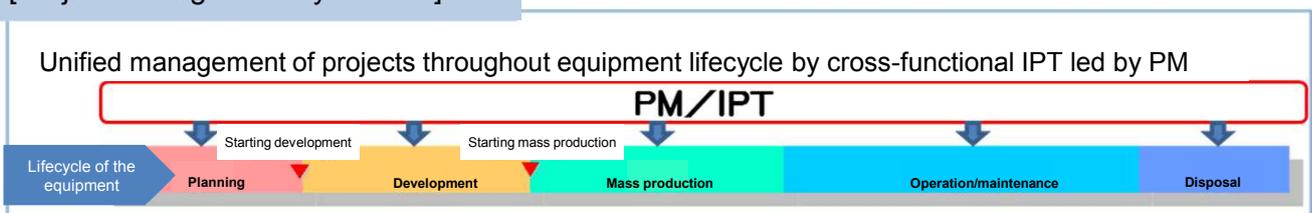
(4) Medium- to long-term measures for streamlining the procurement of equipment, etc.

- Enhancement of project management throughout the lifecycle of equipment
 - An initiative to set up a cross-functional Integrated Project Team (IPT) led by a Project Manager (PM) for unified management of cost, performance and schedule of major projects throughout the lifecycle of equipment.
 - In order to establish a permanent PM/IPT system, assign PM personnel who work full-time on project management (4 coordinators for project management)
 - Use private resources, including consultants, with know-how of project management to support PM/IPT in their project management activities (¥50 million)
 - Have personnel attend project management courses of Defense Acquisition University of the United States in order to develop human resources for PM/IPT (¥3 million)

[Existing method]



[Project management by PM/IPT]



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

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

- Study and research to maintain and improve operational availability of equipment, etc. (¥50 million)
- Study and research for discussions on introduction of more sophisticated PBL* (¥20 million)

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

Initiatives to curb maintenance cost of equipment, etc.

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

6 MOD Reform

(1) Direction of the MOD reform

What is MOD reform?

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

Upon instructions of the Minister of Defense in February 2013, the Committee for the Deliberations on the MOD Reform chaired by the Senior Vice-Minister of Defense accomplished thorough examinations. The "Direction of Defense Ministry Reform" was reported to the Defense Council and publicized in August 2013.

Basic concept of the reform

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

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

Reform plan

1. Remove the barriers between civilian officers and SDF personnel

Establish permanent posts within the Internal Bureau for SDF personnel, while establishing those for civilian officers in the Staff Offices and major SDF commands in order to achieve fostering of a sense of unity among civilian officers and uniformed personnel.

2. From partial optimization to total optimization (Defense capability build-up)

Remove the sectionalism among Ground, Maritime and Air SDF and establish a new procedure of defense capability build-up from the view point of joint operations. At the same time, optimize the overall defense capability by acquiring equipment in an efficient and optimal manner through consistent management of its lifecycles.

3. Make accurate decisions more swiftly(joint operations)

Unify affairs concerning actual operations with the Joint Staff Office in principle to achieve accurate and swift decision-making on SDF operations.

4. Toward further enhancement of policy planning and communication functions

Strengthen the policy planning function in order to deal with rapidly increasing duties that require interaction with external organizations and the formation of the National Security Council. In addition, strengthen the ability of communication function.

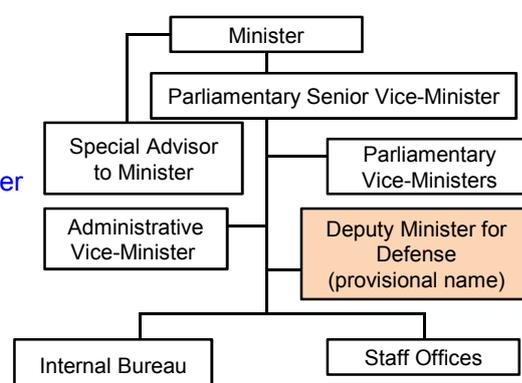
(2) FY2014 budget programs related to the MOD reform

① Cross-assignment of civilian officers and SDF personnel

- Establishment of permanent posts of SDF personnel in Internal Bureau (40 posts in total)
 - Revise laws and establish permanent posts of SDF personnel in Internal Bureau
- Establishment of new permanent posts for civilian officers in the Joint Staff Office and major SDF commands (17 posts in total)
 - [Joint Staff] Establish posts of Legal Officer (provisional name) at Operations and C4I Systems Departments (4 posts in total)
 - [G S D F] Establish posts of Coordination Officer (provisional name) at GSDF HQs (5 posts in total)
 - [M S D F] Establish posts of Political Advisor (provisional name) and Coordination Officer (provisional name) at Yokosuka and Sasebo HQs (4 posts in total)
 - [A S D F] Establish posts of Political Advisor (provisional name) and Coordination Officer (provisional name) at Air Defense Command HQ and Air Support Command HQ (4 posts in total)

② Establishment of Deputy Minister for Defense (provisional name)

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



Establishment of Deputy Minister for Defense (provisional name)

- An initiative to set up a cross-functional Integrated Project Team (IPT) led by a project manager (PM) for unified management of cost, performance and schedule of major projects throughout the equipment lifecycle.
 - In order to establish a permanent PM/IPT system, assign PM personnel who work full-time on project management (4 coordinators for project management) (repost)

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

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

⑤ Initiative to enhance the communication function

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

⑥ Enhancement of Minister's Secretariat

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

7 Other

(1) Restructuring and organizational quota changes

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

① Major unit reorganization programs

- Establishment of the Amphibious Rapid Deployment Preparatory Unit (provisional name) (repost) (GSDF)
- Reorganization of the 1st Airborne Brigade (GSDF)
In order to build and strengthen an effective deterrent and response posture concerning the defense of the Southwestern islands, adopt the 1st Airborne Brigade into a structure enabling a simultaneous, flexible response on multiple fronts.
- Reorganization of the Central Transportation Management Command (GSDF)
- Reorganization of the AEW group (repost) (ASDF)
- Establishment of Air Tactics Development & Training Wing (Provisional name)(ASDF)
- Establishment of Air Staff College Air Power Studies Center of Excellence(provisional name) (ASDF)
- Relocation of the headquarters of Air Development and Test Command to Fuchu Air Base (ASDF)
- Request to increasing the number of SDF personnel
 - Increase the number of SDF personnel to upgrade and strengthen capabilities to carry out surveillance and to take effective actions in the southwestern region and improving the ability to quickly respond to various situations.

	GSDf	MSDF	ASDF	Total	Note
Request for increasing the number of personnel	+ 18	+ 66	+ 49	+ 133	The “△70” in the GSDF column indicates the change of status from SDF personnel to nursing students.
	△70	—	—	△70	

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

② Programs related to organizational quota

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

(2) Promotion of base measures

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

① Expenses related to programs for communities near bases

¥123.1 billion

Including: Residential sound insulation: ¥43.5 billion
Improvement of living environment of neighboring communities: ¥79.6 billion

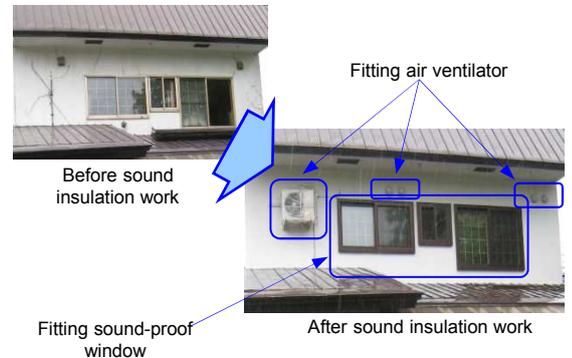
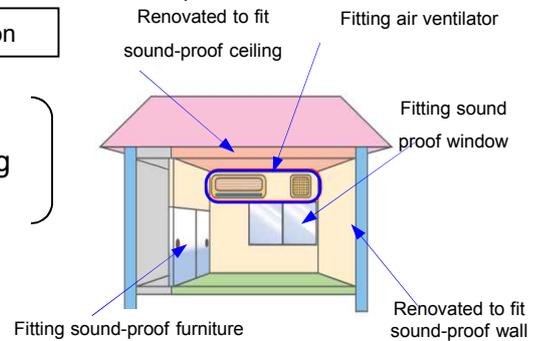
- Expenses for the prevention of disturbances resulting from SDF activities or the establishment and operations of defense facilities

- Implementation of sound insulation projects for residences near air bases, etc.
- Implementation of projects to improve the living environment of neighboring communities (river and road restoration, sound-proofing systems in schools, etc.)
- Implementation of sound insulation projects for non-registered childcare facilities

*Including part of expenses in the FY 2013 supplementary budget for the sound insulation projects for non-registered childcare facilities in Okinawa prefecture.

- Implementation of projects covered by specified defense facilities environment improvement adjustment grants, with strong requests from municipalities around bases (development of public facilities and software projects, such as medical cost subsidies, etc.)

[Example of work]



Sound-proof House

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

¥189.0 billion

Including: Special Measures Agreement: ¥137.4 billion
Facilities improvement: ¥25.4 billion
USFJ employees measures, etc.: ¥26.2 billion

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



Barracks

③ Rental cost of facilities, compensation expenses, etc.

¥134.2 billion

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

(3) Strengthen education and research system

Implement measures to strengthen the system of education and research of the National Institute for Defense Studies, the National Defense Academy, and the National Defense Medical College in addition to develop an environment enabling personnel to be devoted to their duties.

① The National Institute for Defense Studies

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

② National Defense Academy

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

③ National Defense Medical College, etc.

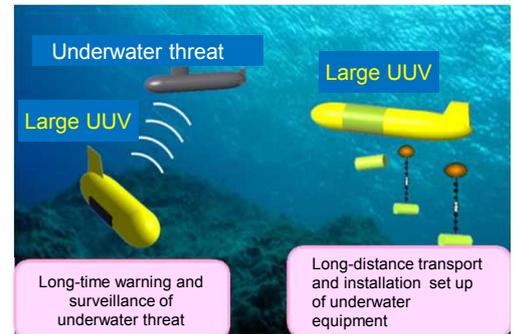
- Establishment of 4-year nursing program
 - Open the Faculty of Nursing (provisional name) at the Division of Medical Education, National Defense Medical College, in April 2014.
- Improvement/enhancement of clinical systems
 - Improve and enhance clinical systems by increasing the number of nurses in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

(4) Promotion of technological research and development

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

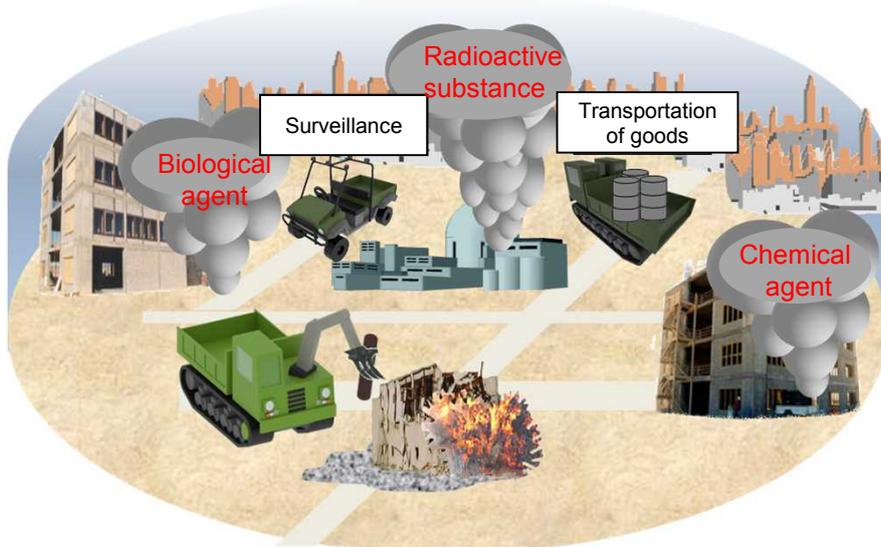
- Research of fuel cells, etc. that enable long-term operation of UUV* (¥0.5 billion)
 - Conduct research on fuel cells, etc. to enable UUV that can complement submarines with long time and wide-area underwater warning, surveillance and intelligence functions, as well as functions to transport and set up underwater equipment.

*UUV (Unmanned Underwater Vehicle)



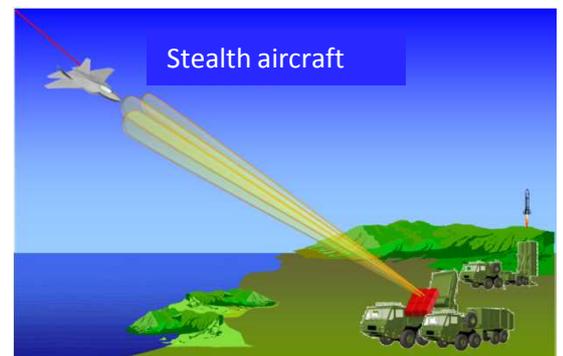
Research of fuel cell, etc. that enable long-term operation of UUV (Graphic Image)

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



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

- Research on radar and fire control system to detect stealth aircraft (¥2.7 billion)
 - Conduct research on radar and fire control system to detect, track and respond to stealth aircraft, etc. which pose difficulties to standard radars.
- Research on technologies to respond to network-based cyber attacks (repost)



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

Major equipment

1 Major equipment

Procurement type		FY2013 Number procured	FY2014			
			Number Procured	Amount (¥100 million)		
Aircraft	GSDF	Multi-purpose helicopter (UH-60JA)	1	—	—	
		Attack helicopter (AH-64D)	1	—	—	
		Restoration of transport helicopter (CH-47J)	(1)	(1)	36	
	MSDF	Fixed-wing patrol aircraft (P-1)	2	3	594 (6)	
		Patrol helicopter (SH-60K)	—	4	242 (2)	
		Rescue amphibian (US-2)	1	—	—	
		Primary trainer (T-5)	3	—	—	
		Helicopter trainer (TH-135)	3	2	15	
		Life extension of fixed-wing patrol aircraft (P-3C)	(2)	(3)	15 (0.7)	
		Life extension of patrol helicopter (SH-60J)	(2)	(2)	12	
		Capability improvement of radar mounted on fixed-wing patrol aircraft (P-3C)	—	4	9 (5)	
		Capability improvement of infrared detection system on fixed-wing patrol aircraft (P-3C)	—	4	3	
		ASDF	fighter aircraft (F-35A)	2	4	638 (425)
	Modernization of fighter aircraft (F-15)		(6)	(12)	151	
	Upgrading of on-board NVG of fighter aircraft (F-15)		—	(1)	0.8 (13)	
	Improvement of air-to-air combat capability of fighter (F-2)		Upgrade	(12)	(12)	126
			Parts	(—)	(30)	
	Addition of JDAM function to fighter (F-2)		(11)	(4)	11	
	Trial upgrading of fighter aircraft (F-2) with on-board targeting pod		—	(1)	61	
Transport aircraft (C-2)	—		2	398 (3)		
Rescue helicopter (UH-60J)	—		3	117 (4)		
Improvement in capability of Airborne Warning And Control Systems (AWACS) (E-767)	Upgrade		(—)	(—)	137	
	Parts	(1)	(1)			
Vessel	MSDF	Destroyer (DD)	1	1	729 (14)	
		Submarine (SS)	1	1	517 (3)	
		Minesweeper ocean (MSO)	1	1	177 (9)	
		Submarine rescue ship (ASR)	—	1	507 (26)	
		Life extension of Hatsuyuki-class destroyer	Work	(—)	(1)	6
			Parts	(3)	(4)	
		Life extension of Asagiri-class destroyer	Work	(2)	(2)	42
			Parts	(4)	(3)	
		Life extension of Abukuma-class destroyer	Work	(—)	(2)	25
			Parts	(4)	(4)	
		Life extension of Hatakaze-class destroyer	Work	(—)	(1)	25
			Parts	(1)	(—)	
		Life extension of Oyashio-class submarine	Work	(2)	(1)	5
			Parts	(1)	(2)	
		Life extension of Towada-class fast combat support ship	Work	(—)	(2)	26
			Parts	(2)	(2)	
Function improvement of short-range SAM system on Takanami-class destroyer	Work	(—)	(—)	39		
	Parts	(—)	(5)			
Life extension of Landing Craft Air Cushion	Work	(2)	(—)	3		
	Parts	(—)	(2)			

Procurement type		FY2013 Number procured	FY2014		
			Number Procured	Amount (¥100 million)	
Missile	GSDF	Type-03 middle-range surface-to-air missile (SAM)	—	1 company	175 (22)
		Type-11 short-range surface-to-air missile	—	1 set	45 (18)
		Middle-range multi-purpose missile	11 sets	18 sets	72
		Type-12 surface-to-ship missile	1 company (4 units)	4 companies (16 units)	309
	ASDF	Surface-to-air missile for base air defense	—	—	8
Firearm, Vehicle, etc.	GSDF	9mm Pistol	90	—	—
		Type-89 rifle	6,949	6,726	18
		Anti-personnel sniper rifle	75	50	0.5
		5.56mm machine gun MINIMI	188	—	—
		12.7mm heavy machine gun	114	—	—
		60mm mortar (B)	—	6	0.1
		84mm recoilless rifle (B)	17	24	3
		81mm mortar L16	5	1	0.1
		120mm mortar RT	2	1	0.4
		Type-99 155mm self-propelled howitzer	6	6	59
		Type-10 tank	14	13	134
		Light armored vehicle	44	30	10
		Type-96 armored personnel carrier	11	8	12
		Type-87 reconnaissance combat vehicle	1	—	—
		NBC reconnaissance vehicle	2	1	8
		Vehicle, communications equipment, facility equipment	¥49.6 billion	—	540 (18)
	ASDF	Light armored vehicle	1	1	0.3
BMD	MSDF	Upgrade of Aegis ships	(2)	(2)	103



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

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

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

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

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

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

2 Major research and development programs

	Item	Overview	FY2014 Amount (¥100 million)
New	Armored personnel carrier development (improved)	In order to respond to a variety of threats accompanying international peace cooperation activities, attacks on remote islets, etc. develop transportable and maneuverable armored personnel carrier (improved) with improved mobility (including traveling on rough roads) and enhanced defense power as a successor to Type-96 armored personnel carrier	48
	Integrate field command communication systems	Convert the GSDF command and control system into software and install it on field communication systems to enable sharing of data necessary for combat down to front-line forces, developing infrastructure for the strengthening of joint operation while enabling the exchange of secret data between Japan and the United States	58
	Research on technologies to respond to network-based cyber attacks	Implement a study to prevent the spread of damage by securing the route for important communication through prompt route modification in the network at the time of a cyber attack.	8
	Research of fuel cells, etc. that enable long-term operation of UUV(unmanned underwater vehicle)	Conduct research on fuel cells, etc. to enable UUV that can complement submarines with long time and wide-area underwater warning, surveillance and intelligence functions, as well as functions to transport and set up underwater equipment.	5
	Research on robots that can be used under the threat of nuclear disaster	Conduct research to realize robots that autonomously carry out surveillance, transportation of goods, and various activities during disaster relief operations, etc. even under bad weather and the threat of radiation caused by a nuclear disaster and biological/chemical agents.	9
	Research on radar and fire control system to detect stealth aircraft	Conduct research on radar and fire control system to detect, track and respond to stealth aircraft, etc. which pose difficulties to standard radars.	27
	Research on airframe structure with reduced weight	In preparation for weight reduction of fighters in the future, establish high-precision structural analysis technology to minimize the risk associated with weight reduction and conduct research on weight reduction of airframes using a unified fastener-less structure, etc.	22
Continued	Development of a new air-to-ship guided missile, XASM-3	Conduct development of a new air-to-ship missile (XASM-3) to be used for more effective response to enemy battle ships with high-performance air defense capability.	20
	Research on the engine component for a fighter aircraft	Conduct research on the engine component for a fighter aircraft that features greater thrust and slimmed configuration necessary for securing high-altitude and high-speed fighting for future fighters, the bodies of which are increasing in size.	130

3 Changes in number of personnel

● Changes in number of SDF personnel, etc.

(Unit : Person)

	End of FY2013	End of FY2014	Increase/Decrease
GSDF	159,238	159,198	△40
Regular personnel	151,063	151,023	△40
Ready reserve personnel	8,175	8,175	0
MSDF	45,517	45,494	△23
ASDF	47,097	47,073	△24
Joint Units	1,227	1,253	26
Joint Staff	361	367	6
Defense Intelligence Headquarters	1,907	1,910	3
Internal Bureaus	—	40	40
Total	247,172	247,160	△12
	(255,347)	(255,335)	(△12)

Transfer to Joint Staff Office etc.

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

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

Note 3: 20 out of 40 decreases in GSDF represents the status change from SDF personnel to nursing students.

● Number of SDF personnel (annual average)

(Unit: Person)

	GSDF	MSDF	ASDF
Annual average	140,049	42,035	43,293

● Number of SDF reserve personnel

(Unit: Person)

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

● Number of candidates for GSDF reserve personnel

(Unit: Person)

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

● Change in the quota of administrative officials, etc.

(Unit: Person)

	FY2013	FY2014	Remarks
Increase	316	216	
Quota Rationalization	▲595	▲347	
Transfer to other organizations etc.	▲1	▲21	
Total	▲280	▲152	
Quota at the end FY	21,435	21,283	

Note : Including the Minister, Parliamentary Senior Vice-Minister, two Parliamentary Vice-Ministers, and Special Advisor to the Minister(newly established)

Defense-related expenditures

1 Overall Defense-related expenditures

[Expenditures (classified into 3 categories by expense)]

(Unit: ¥100 million)

	FY2013		FY2014	
	budget	YR/YR	budget	YR/YR
Defense-related expenditures	46,804 (47,538)	351[0.8] (400[0.8])	47,838 (48,848)	1,035[2.2] (1,310[2.8])
Personnel and provisions expenses	19,896	△806[△3.9]	20,930	1,034[5.2]
Material expenses	26,908 (27,642)	1,157[4.5] (1,206[4.6])	26,909 (27,918)	1[0.0] (276[1.0])
Obligatory outlay expenses	16,612 (17,149)	298[1.8] (494[3.0])	17,174 (17,944)	562[3.4] (796[4.6])
General material expenses (activity expenses)	10,296 (10,493)	859[9.1] (712[7.3])	9,734 (9,974)	△561[△5.5] (△519[△5.0])

(Comments)

- [] : growth rate
- Figures may not add up to the total due to rounding (hereinafter the same)
- The top row indicates SACO-related expenses and the U.S. forces realignment-related expenses where the portion intended to reduce the burden on the local community has been omitted. The number in parentheses in the bottom row indicates that which has been included.
The amount in the SACO-related expenses of the total are:
FY 2013: ¥8.8 billion; FY 2014 budget: ¥12.0 billion
The portion intended to reduce the burden on the local community out of the U.S. forces realignment-related expenses is:
FY 2013: ¥64.6 billion; FY 2014 budget: ¥89.0 billion
- As expenses for the reconstruction of Sapporo Hospital, the figures for FY 2013 include ¥0.6 billion for expenditures (obligatory outlay expenses) and ¥0.1 billion for future obligations concerning new contracts. For FY 2014, they include ¥1.0 billion for future obligations concerning new contracts, which is a portion of the budget of the Ministry of Finance.
- General material expenses of FY2013 include expenses to be transferred to the Special Account for the Reconstruction from the Great East Japan Earthquake (¥68.9 billion) whereas those of FY2014 do not.
- Exchange rate for FY2014: US\$ = JPY ¥97

[Future obligation concerning new Contracts]

(Unit: ¥100 million)

	FY2013		FY2014	
	budget	YR/YR	budget	YR/YR
Future obligation concerning new contracts	16,517 (17,299)	△155[△0.9] (46[0.3])	19,465 (21,733)	2,948[17.8] (4,434[25.6])

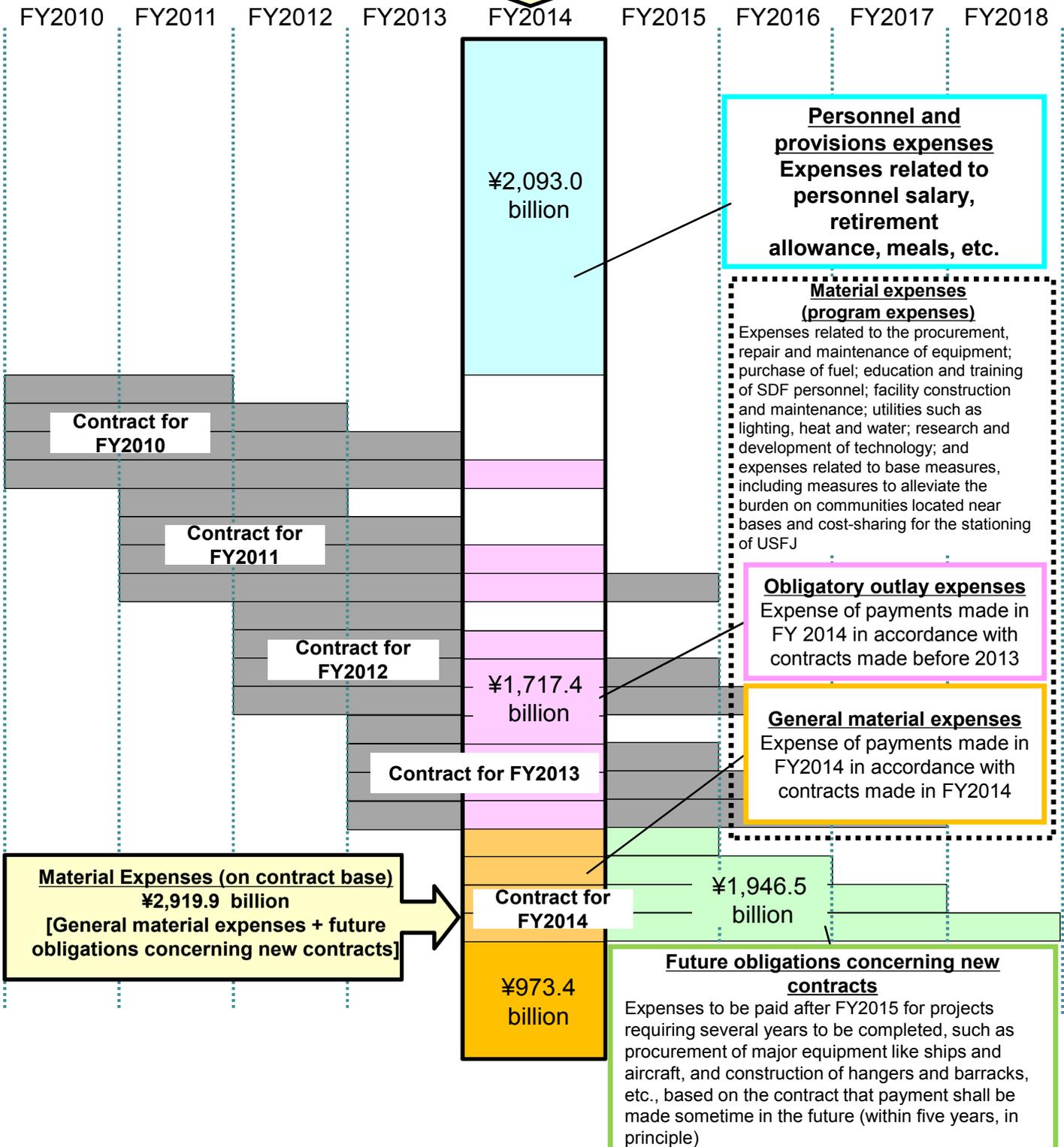
(Comments)

- [] : growth rate (%)
- The top row indicates SACO-related expenses and the U.S. forces realignment-related expenses where the portion intended to reduce the burden on the local community; expenses based on the introduction of a new government aircraft based on "Policies dealing with government aircraft" (decided by the government aircraft study committee on August 7, 2013) has been omitted.
The number in parentheses in the bottom row indicates expenses that is included.
The amount in the SACO-related expenses of the total are:
FY 2013: ¥4.2 billion; FY 2014 budget request: ¥1.7 billion (provisionally kept as the same amount as the previous FY amount)
The portion intended to reduce the burden on the local community out of the U.S. forces realignment-related expenses is:
FY 2013: ¥74.0 billion; FY 2014 budget request: ¥89.7 billion (provisionally kept as the same amount as the previous FY amount)
The expenses regarding the introduction of the new government aircraft is ¥135.5 billion in FY2014 budget
- YR/YR of FY2013 budget does not include the expenses related to the development and operation of X-band satellite communications (¥122.4 billion) in the FY2012 budget.

Composition of defense-related expenses

Expenditures: ¥4,783.8 billion
[Personnel and provisions expenses + obligatory outlay expenses + general material expenses]

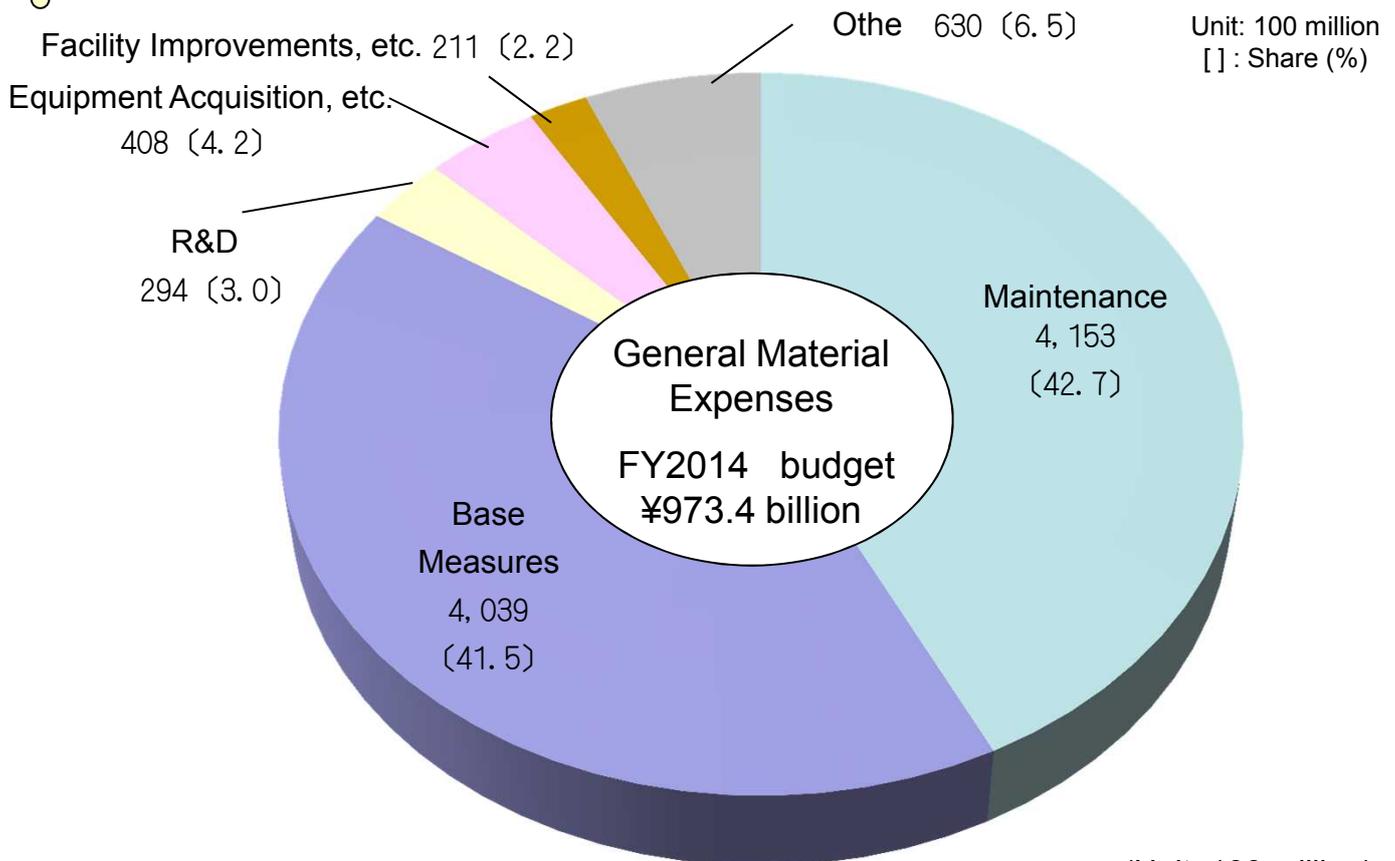
(Fiscal Year)



Notes:

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

Details of General Material Expenses
(Activity Expenses)



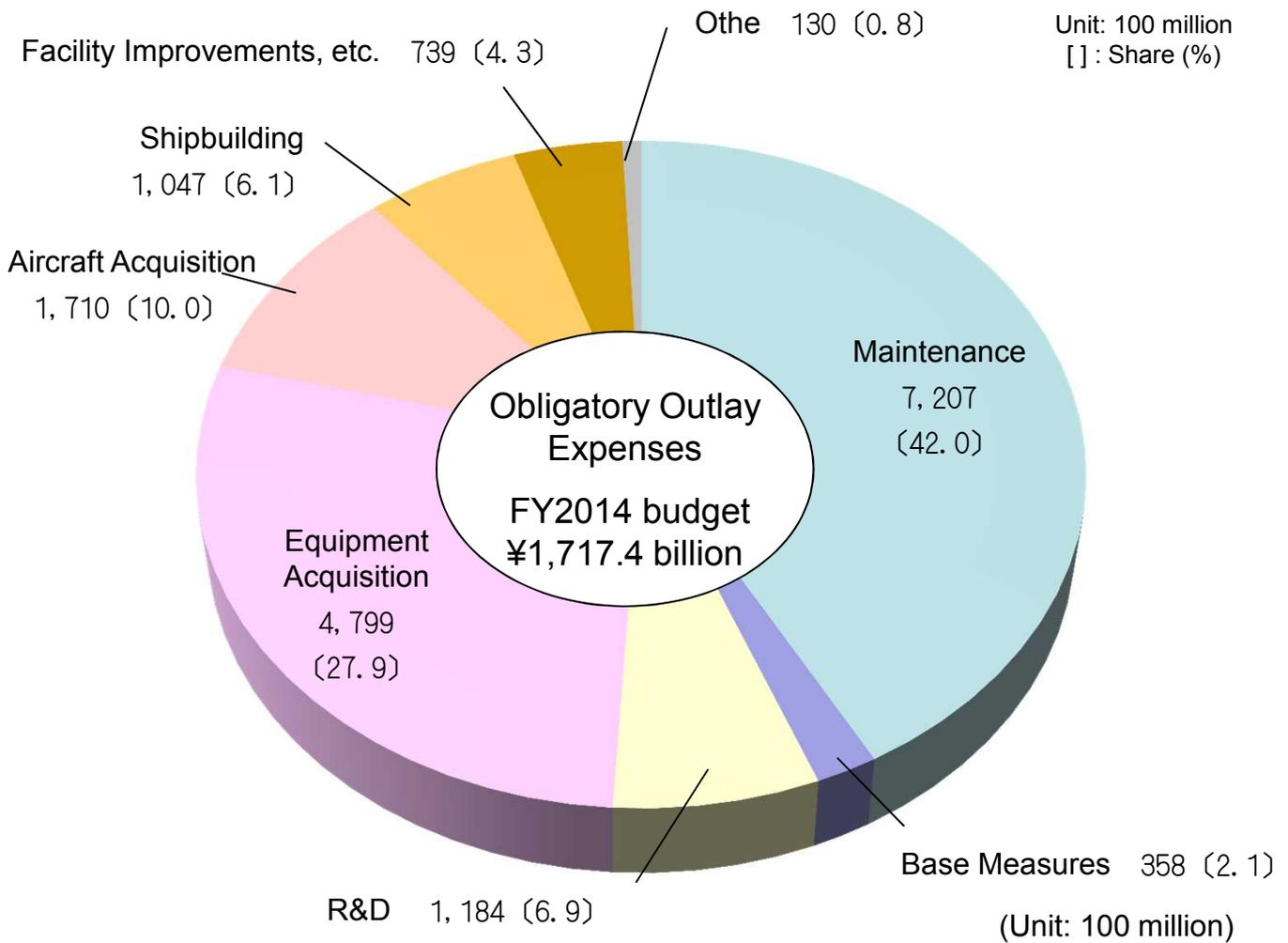
(Unit: 100 million)

Item	FY2013	FY2014	YR/YR
Maintenance	4,084	4,153	6.9
• Petrol	999	1,053	5.5
• Repair	1,619	1,567	△5.2
• Education & Training	272	274	3
• Medical Care	253	256	3
• Utilities	942	1,002	6.0
Base Measures	4,009	4,039	2.9
• Community Grants	1,001	1,005	4
• Host Nation Support	1,691	1,702	1.0
• Rent, Compensation Costs	1,317	1,332	1.5
Research & Development	275	294	1.9
Equipment Acquisition	411	408	△4
Facility Improvements	184	211	2.8
Other (computer rentals, etc.)	1,332	630	△70.3
Total	10,296	9,734	△56.1

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

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

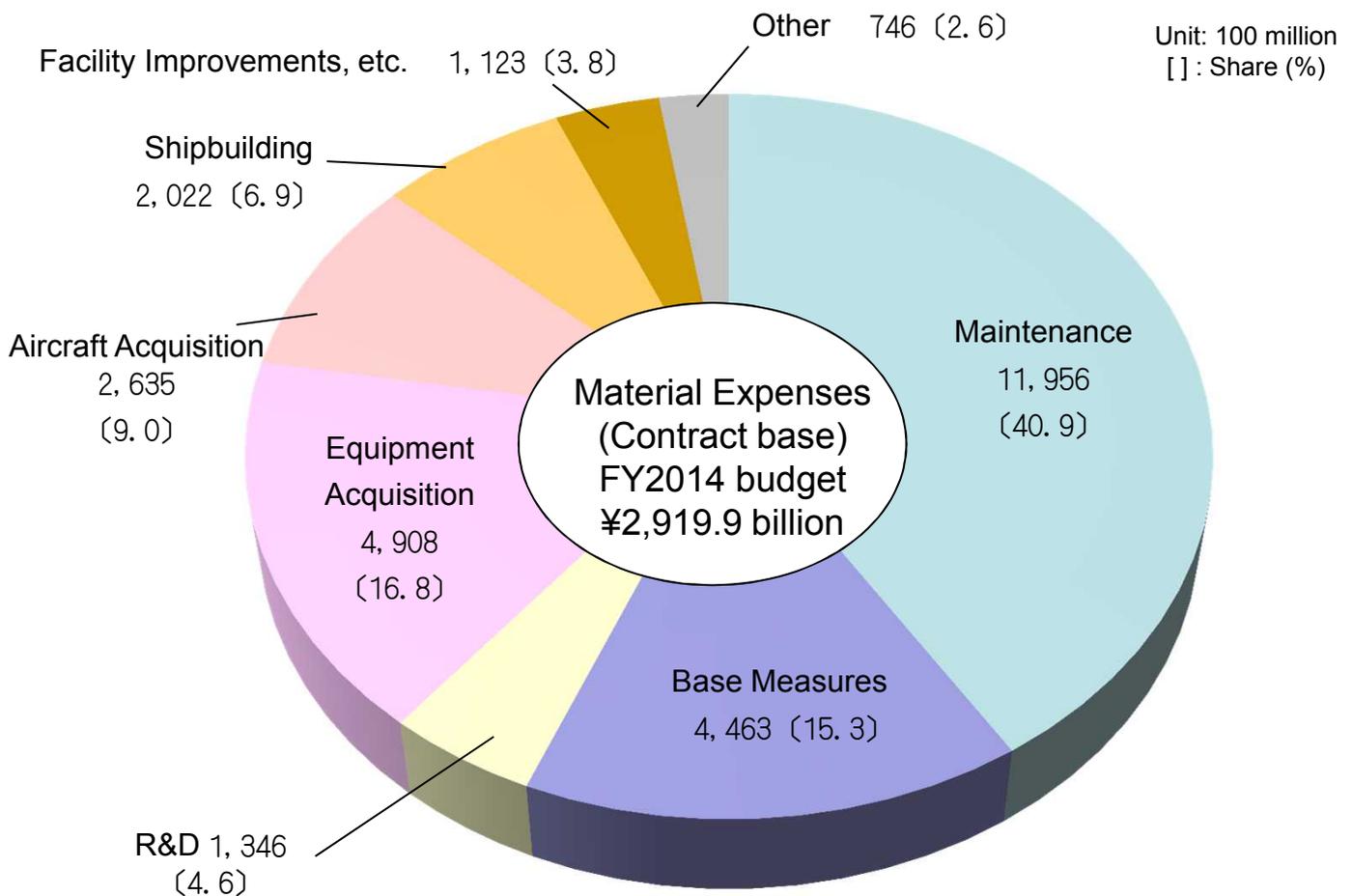
Details of Obligatory Outlay Expenses



Item	FY2013	FY2014	YR/YR
Maintenance	7,049	7,207	158
Repair	6,708	6,860	151
Education & Training	341	348	7
Base Measures	372	358	△14
Research & Development	1,267	1,184	△83
Equipment Acquisition	4,426	4,799	373
Aircraft Acquisition	1,077	1,710	633
Shipbuilding	1,528	1,047	△481
Facility Improvements	766	739	△27
Other (computer rentals, etc.)	127	130	3
Total	16,612	17,174	562

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

Details of Material Expenses (Contract Base)



(Unit: 100 million)

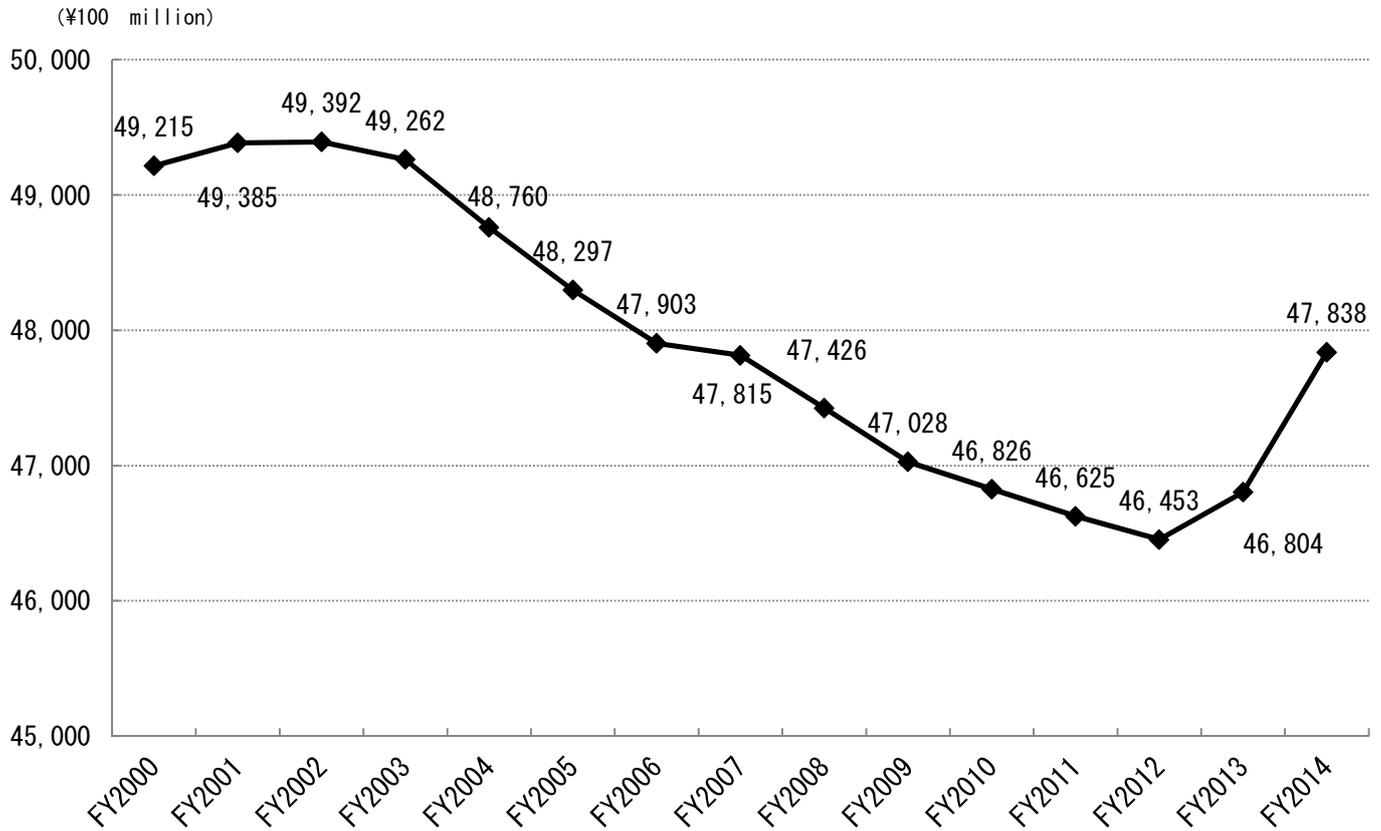
Item	FY2013	FY2014	YR/YR
Maintenance	11,313	11,956	6.44
Petrol	999	1,053	5.5
Repair	8,528	8,794	2.66
Education & Training	1,786	2,109	3.23
Base Measures	4,405	4,463	5.8
Research & Development	1,309	1,346	3.8
Equipment Acquisition	3,769	4,908	1,139
Aircraft Acquisition	1,992	2,635	6.43
Shipbuilding	1,523	2,022	4.99
Facility Improvements	1,043	1,123	8.0
Other (computer rentals, etc.)	1,460	746	△7.15
Total	26,813	29,199	2,386

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

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

(Reference) Changes in defense-related expenditures

Changes in total amount



Changes in growth rate

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

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Growth rate	Δ0.8	Δ0.8	Δ0.4	Δ0.4	Δ0.4	0.8	2.2

Notes

- Above figures are on an expenditure basis.
- 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.
- The expenditures on the Security Council are not included in the defense-related expenditures since they are requested for rearrangement as other expenses from FY2008. The expenditures before FY2008 are also excluded from "Defense-related expenditures" for the purpose of comparison.

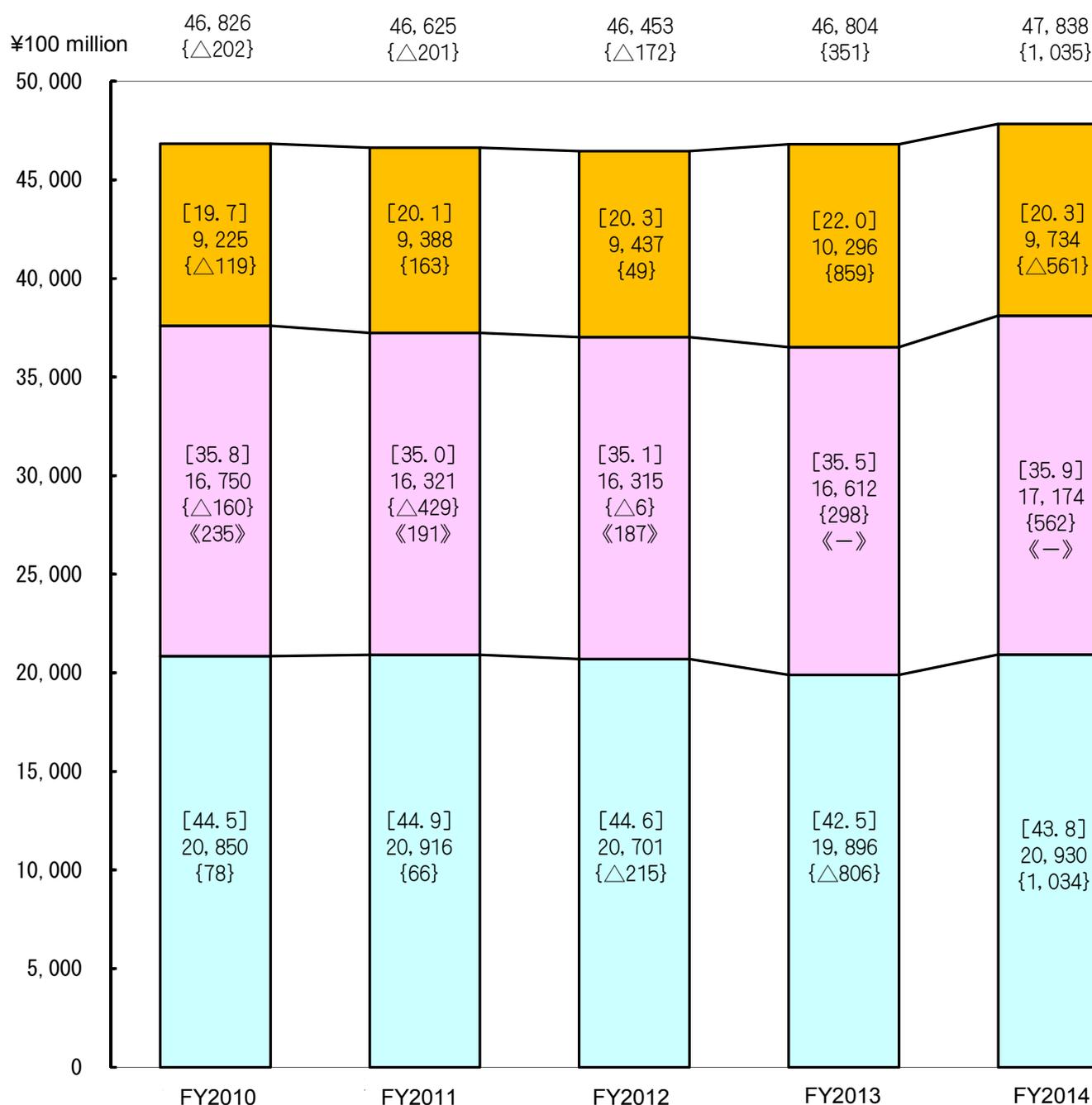
Changes in the three categories

General Material Expenses

Obligation Outlay Expenses

Personnel Provisions Expenses

[] : Share of expenses budget (%)
 { } : YR/YR increase/decrease
 《 》 : Expenditures that are to be expended later on



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

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

Breakdown by organization

(Unit: ¥100 million, %)

Classification	FY2013	FY2014	YR/YR	Growth rate
Defense expenditure	46,804	47,838	1,035	2.2
Ministry of Defense	46,798	47,828	1,030	2.2
(Ministry of Defense Head Office)	46,624	47,642	1,019	2.2
GSDF	16,929	17,690	762	4.5
MSDF	11,190	11,298	108	1.0
ASDF	10,234	10,899	665	6.5
Sub-total	38,353	39,887	1,534	4.0
Internal bureaus	4,739	4,761	22	0.5
Joint Staff	241	276	35	14.4
Defense Intelligence Headquarters	503	652	149	29.6
National Defense Academy	142	145	3	2.1
National Defense Medical College	233	244	11	4.6
National Institute for Defense Studies	20	26	6	31.1
Technical Research and Development Institute	1,636	1,579	△57	△3.5
Equipment Procurement and Construction Office	63	69	5	8.4
Inspector General's Office of Legal Compliance	4	5	0	11.0
Sub-Total	7,581	7,755	174	2.3
Recorded in the Special Account for the Reconstruction from the Great East Japan Earthquake (Regional Defense Bureaus)	689	—	△689	Program abolished
Ministry of Finance	174	186	11	6.5
(Ministry of Finance Head Office)	6	10	5	78.2

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

Promotion of base measures, etc

(Unit: ¥100 million, %)

Classification	FY2013 budget	FY2014 budget	YR/YR	Growth rate	Remarks
Promotion of base measures	< 4,405 > 4,381	< 4,463 > 4,397	< 58 > 15	< 1.3 > 0.3	
(1) Expenses related to measures for local communities	< 1,211 > 1,200	< 1,231 > 1,207	< 20 > 7	< 1.7 > 0.6	
Residential sound insulation	< 428 > 428	< 435 > 432	< 8 > 4	< 1.8 > 1.0	Subsidies for sound insulation work near air base
Improvement of surrounding environment	< 783 > 772	< 796 > 775	< 13 > 3	< 1.6 > 0.4	Subsidies for living environment and facilities (river and road reconstruction, sound proofing systems in schools, etc.)
(2) Cost-sharing for the stationing of USFJ	< 1,864 > 1,860	< 1,890 > 1,848	< 25 > △ 12	< 1.4 > △ 0.6	
Special Measures Agreement	1,398	1,374	△ 24	△ 1.7	
Labor cost	1,144	1,119	△ 25	△ 2.2	Cost of wages of USFJ employees
Utilities	249	249	0	0.0	Cost of utilities used at USFJ facilities
Training relocation cost	4	5	0	11.1	Expenses related to US field-carrier landing practice on Iwo Jima
Facilities improvement	< 213 > 209	< 254 > 213	< 41 > 4	< 19.1 > 1.7	Improvement of USFJ facilities (barracks, family housing, etc.)
Measures for USFJ employees, etc.	253	262	9	3.7	Expenses related to social insurance premiums by the employer
(3) Facility rentals, compensation expenses, etc.	< 1,330 > 1,321	< 1,342 > 1,341	< 12 > 20	< 0.9 > 1.5	Rental cost of land used for defense facility and compensation for loss of fishermen's income, etc.

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

Cost related to the Special Action Committee on Okinawa (SACO)

(Unit: ¥100 million, %)

Item	FY2013 Budget	FY2014 Budget	YR/YR	Growth rate	Remarks
1 Program for land restitution	< 30> 30	< 6> 24	< △ 24> △ 5	< △ 81.4 > △ 18.0	Implementation of measures included in the Special Action Committee on Okinawa (SACO) Final Report Relocation work and compensation of expenses for relocating and receiving the facilities
2 Programs for improvements of Drills	13	13	0	0.7	Personnel transportation etc. associated with relocation of live-fire training across Okinawa Prefectural Route 104 to the mainland
3 Program for noise abatement	< 22> 19	< 12> 60	< △ 9> 41	< △ 43.5 > 3.2 times	Implement noise abatement initiatives
4 Program for facilitation of the SACO project	27	23	△ 4	△ 14.9	Programs to facilitate implementation of measures included in the Special Action Committee on Okinawa (SACO) Final Report
Total	< 91> 88	< 54> 120	< △ 37> 32	< △ 41.0 > 36.3	

The Portion Pertaining to the Reduction of Local Burden in the U.S. Forces Realignment-related Expenses

(Unit:¥100 million, %)

Item	FY2013 Budget	FY2014 Budget	YR/YR	Growth rate	Remarks
1	3	14	11	4.3 times	Promotion of policies to appropriately and promptly implement measures related to realignment based on the "Government's undertakings regarding the review of the force configuration of the U.S. forces in Japan, etc." (approved by the Cabinet on May 30, 2006) and the "Government's present undertakings regarding the items approved at the Japan-United States Security Consultative Committee on May 28, 2010) (approved by the Cabinet on May 28, 2010) Funding for the projects for U.S. Marine Corps in Okinawa to relocate to Guam
2	< 43 > 60	< 24 > 57	< △ 19 > △ 3	< △ 43.3 > △ 5.3	
(1)	< 41 > 57	< 21 > 53	< △ 20 > △ 4	< △ 47.7 > △ 7.1	Environmental outlook survey, etc.
(2)	< 2 > 3	< 3 > 4	< 1 > 1	< 56.0 > 28.5	Programs regarding the return of land south of the Kadena Air Base
3	< 52 > 84	< 0 > 75	< △ 52 > △ 9	< △ 99.6 > △ 10.7	Projects regarding the return of portions of land, etc. at the Sagami General Depot
4	< 654 > 362	< 904 > 589	< 250 > 227	< 38.2 > 62.6	
(1)	< 654 > 361	< 903 > 589	< 249 > 228	< 38.1 > 63.2	Projects regarding the relocation of Carrier Air Wing from Atsugi Air Facility to MCAS Iwakuni
(2)	< 0 > 2	< 1 > 1	< 1 > △ 1	< 66.7 times > △ 69.4	Projects regarding the relocation of the Field Carrier Landing Practice (FCLP) facility, etc.
5	42	49	6	15.1	Programs regarding the relocation of U.S. aviation training from Kadena Air Base, etc. to mainland Japan, Guam, etc.
6	< 94 > 94	< 108 > 105	< 14 > 11	< 15.4 > 12.2	
(1)	87	100	13	14.6	
(2)	< 7 > 6	< 8 > 5	< 2 > △ 1	< 26.9 > △ 19.7	
Total	< 889 > 646	< 1,100 > 890	< 211 > 244	< 23.7 > 37.7	

Notes: 1. US Forces Realignment Related Expenses totaled at ¥90.9billion <¥111.1billion> and are broken down as follows:

(1) Measures that contribute to reduce local burden : ¥89billion <¥110billion>

(2) Measures to maintain deterrence ¥1.9billion <¥1.2billion>

2. For the relocation of MCAS Futenma, Reserve Funds and Purpose-Undecided National Treasury Funds may be options to facilitate the GOJ to take necessary procedures for the contract as soon as the environment for construction work of the replacement facility is in place.

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Reference

Overview of Fiscal 2013 Supplementary Budget Bill (Ministry of Defense)

Ministry of Defense
December 2013

Total amount requested by the Ministry of Defense
.....approx. ¥119.7 billion (approx. ¥149.4 billion)

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

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

..... **approx. ¥37.9 billion**
(approx. ¥51.9 billion)

Make SDF camps and bases available for use as the centers of operations in the case of emergency situations such as the outbreak of a great disaster, and prepare various supplies and equipment that are necessary to transport dispatched units, rescue disaster victims, transport supplies, inspect the field situation, search for disaster victims, support the livelihood of people over a long period of time, and support the government offices to function in an emergency situation.

- Acquisition of 2 transport helicopters (CH-47JA) * 3 + 55 crew members and 1 multipurpose helicopter (UH-60JA) * 2 + 12 crew members
- Acquisition of facilities and materials (material carrier vehicles, etc.)
- Acquisition of radars for detecting people (through walls)
- Development of operation bases using SDF camps and bases
- Acquisition of equipment to support the government offices to function in an emergency situation



【CH-47JA】



【UH-60JA】



【Material carrier vehicle in action in the aftermath of a disaster on Izu Island】

Searching for people trapped under the collapsed building



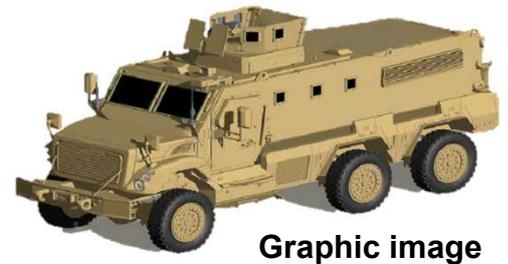
【Radar for detecting people (through walls)】

(2) Securing stable operations of the Self-Defense Forces

..... approx. ¥43.2 billion
(approx. ¥58.9 billion)

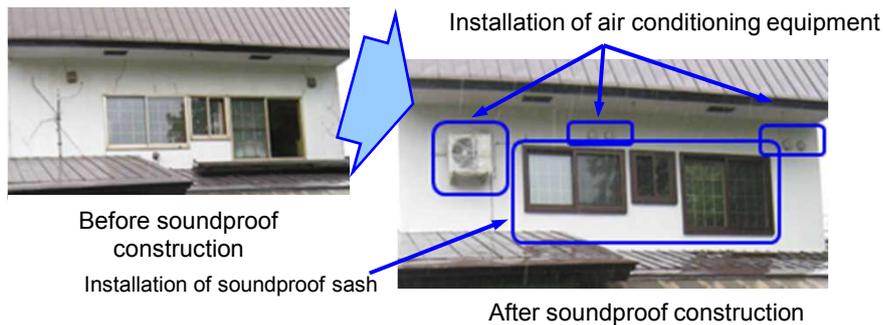
Take measures that facilitate the SDF to maintain and operate various equipment and defense facilities in a stable manner given that the security environment surrounding Japan is becoming increasingly severe.

- Acquisition of protected carrier vehicles
- Acquisition of fire-control radar parts for the F-15 fighter aircraft
- Subsidization of soundproof constructions on houses in the vicinity of air bases such as Atsugi Air Base
- Subsidization of soundproof constructions on unlicensed childcare facilities in Okinawa Prefecture



Graphic image

【Protected carrier vehicle】



【Soundproof construction on house】

(3) Expenses associated with SDF operations

..... approx. ¥38.6 billion
(approx. ¥38.6 billion)

Cover the cost of fuel which is in short supply due to the fluctuation of the crude oil price, expenses associated with extended participation of the SDF in the United Nations PKO in South Sudan, and expenses associated with extended participation of the SDF in counter-piracy operations.



【SDF unit carrying out road construction as part of U.N. PKO in South Sudan】



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