

Section 4. Mid-Term Defense Program

National defense is vital to a country's existence. Therefore, although defense build-up ultimately occurs in accordance with the budget of each fiscal year, defense should be built-up continuously, systematically and steadily based on the security environment surrounding Japan and the role of defense capability in line with a concrete medium-term outlook because research and development of defense equipment, its adoption, improvement of facilities, education of defense personnel, and training of SDF units cannot be realized in the short term.

Therefore, since FY 1986 the Government of Japan has formulated mid-term defense programs, each covering five years, and has built-up the nation's defense capabilities each fiscal year based on these programs.

The "Mid-Term Defense Program (FY 2005-FY 2009)" is a plan that defines Japan's policy regarding the build-up of its defense capabilities and the main projects for the five-year period to realize new defense capabilities specified in the National Defense Program Guidelines. The program was approved by the Security Council and the Cabinet in December 2004. In December 2008, revisions were made to the sections of the program concerning necessary expenses for and the scale of plans to improve major defense equipment, such as the modernization and upgrading of fighters (F-15). (See 5 of this section, Reference 10 and 13).

The government is currently reviewing the Mid-Term Defense Program to formulate a new one by the end of the year, in conjunction with a review of the National Defense Program Guidelines which will be the basis of the formulation..

This section explains the policies envisaged under the Mid-Term Defense Program, organizational reviews of the Defense Ministry and the SDF, main projects related to the SDF's capability and measures intended to reinforce the Japan-U.S. Security Agreements, as well as the revision to the Mid-Term Defense Program in December 2008.

1. Policies for the Program

In line with the National Defense Program Guidelines, the Mid-Term Defense Program has shifted its priority from "deterrence by presence" to "effective response," and has placed emphasis on the improvement of readiness and mobility, an integrated operation of the GSDF, the MSDF and the ASDF through their joint operations, and the acquisition of new capabilities in line with technological development. Six policies, listed below, form the basis of the program intended to build-up Japan's defense capability in an appropriate manner.

- 1) Establishment of multi-functional, flexible and effective defense capabilities
- 2) Organizational reviews of the Defense Ministry and SDF
- 3) Enhancement of fundamental defense capabilities through joint operations and strengthening of intelligence functions
- 4) Promotion of various measures that support defense capabilities, such as rational and efficient procurement of defense equipment
- 5) Further strengthening of the Japan-U.S. Security Arrangements
- 6) Efforts to streamline and increase efficiency of defense capabilities

2. Organizational Review of the Defense Ministry and SDF

The Mid-Term Defense Program calls for an organizational review of the Defense Ministry and the SDF, as shown below, as a means of swiftly and efficiently transforming their structure into one in which new defense capabilities specified under the National Defense Program Guidelines can be acquired.

- 1) Ideal structure of internal bureaus will be studied in order to improve and strengthen organizations in

charge of administrative defense policies, and necessary steps will be taken.

- 2) The Joint Staff will be established and the Staff Offices of the three SDF services will be reorganized in order to reinforce the joint operations system. Based on the achievement of the joint operations, evaluations of operations will be undertaken and measures necessary to increase effectiveness will be taken.

The Defense Intelligence Headquarters will be placed under the direct authority of the Director-General of the Defense Agency at the time.

- 3) The GSDF, the MSDF, and the ASDF will shift to the structure shown in Chapter 2, Section 2, Fig. II-2-2-5 following the conclusion of the Mid-Term Defense Program.

3. Main Projects Concerning Capabilities of the SDF

Concerning the SDF's defense capabilities, the Mid-Term Defense Program calls for effective response to new threats and diverse contingencies, preparations against full-scale invasion of Japan, proactive efforts on Japan's own initiative to help improve the international security environment, promotion of fundamental defense capabilities, and various measures that support such capabilities. Under the program, the main projects as shown in Fig. II-2-4-1 will be carried out in order to achieve these goals.

4. Measures to Strengthen the Japan-U.S. Security Arrangements

Under the new security environment, the following measures will be taken in order to further strengthen the Japan-U.S. Security Arrangements and the close relationship with the United States which is backed by the arrangements.

- 1) Exchange of information and views on the international situation will be enhanced, and strategic dialogue on the general security situation will be continued.
- 2) Efforts will be made to establish an effective cooperative framework in the field of defense operations. In addition, joint exercises and training will be enhanced.
- 3) Cooperation in the field of ballistic missile defense (BMD) will be further promoted.
- 4) Efforts will be made to promote wide-ranging mutual exchanges in the fields of defense equipment and technologies.
- 5) Measures will be taken to allow smooth and effective stationing of U.S. forces in Japan.
- 6) Japan will proactively participate in international security efforts and will take measures to enable close collaboration with the United States.

Fig. II-2-4-1 Major Projects Concerning Capabilities of the SDF under Mid-Term Defense Program

Item		Major Projects
Effective response to new threats and diverse contingencies	Response to ballistic missile attack	<ul style="list-style-type: none"> ○ Capability improvement of Aegis-equipped destroyers ○ Capability improvement of surface-to-air guided missiles (Patriot) ○ Deployment of warning and control radars ○ Modification to add ballistic missile response capabilities to the JADGE system (Japan Aerospace Defense Ground Environment)
	Response to guerrillas and special operations force attacks	<ul style="list-style-type: none"> ○ As reinforcement measures of infantry units which are core human combat capabilities, increase of each rifle unit's standard personnel number and realignment of the sniper team of each infantry unit ○ Improvement of readiness and mobility by deployment of light-armored vehicles, multi-functional helicopters (UH-60JA, UH-1J), combat helicopters (AH-64D) and others ○ Improvement of response capabilities to nuclear, biological and chemical weapon attacks (NBC)
	Response to invasion of Japan's offshore islands	<ul style="list-style-type: none"> ○ Improvement and enhancement of transportation capacities by deployment of successor aircraft of C-1 transport planes¹⁾, transport helicopters (CH-47JA/J) and others ○ Improvement of air and maritime interdiction capabilities by deployment of aerial refueling/transport aircraft (KC-767), fighters (F-2) and others ○ Improvement of rescue capabilities by adding aerial refueling functions to transport aircraft (C-130H) and rescue helicopters (UH-60J)
	Warning and surveillance in sea areas and airspace surrounding Japan, violation of Japanese airspace, and response to armed special operations vessels	<ul style="list-style-type: none"> ○ Deployment of DDH and DD destroyers, SH-60K patrol helicopters, MCH-101 minesweeping and transport helicopters and replacements of P-3C fixed-wing patrol aircraft ○ Improvement of E-2C early warning aircraft and E-767 early warning and control aircraft, replacement of F-4 fighters ○ Introduction of the F-4 fighter successor and modernization and upgrade of F-15 fighters while considering budget conditions²⁾
	Response to large-scale and unconventional disasters	<ul style="list-style-type: none"> ○ Deployment of rescue amphibians (US-2) and rescue helicopters (UH-60J)
Preparation against full-scale invasion	Continuing deployment of tanks, artillery, medium-range surface-to-air guided missiles, destroyers, submarines, minesweepers, patrol aircraft, fighters, and maintaining the most basic capabilities of its defense forces, while curbing spending on defense improvement for a period covered by the Mid-Term Defense Program in line with reductions of sizes of defense equipment indicated by the National Defense	
Proactive and independent efforts to improve the international security environment	Program Guidelines (NDPG) Appropriate measures for international peace cooperation activities	<ul style="list-style-type: none"> ○ Realignment of International Peace Cooperation Activities Training Units and Central Readiness Force Regiments assigned to the Central Readiness Force ○ Procurement of conducive equipment for international peace cooperation activities such as transport aircraft, helicopters and light-armored vehicles
	Enhancement of security dialogues, defense exchanges, and joint exercises with other countries Enforcement of joint operations	<ul style="list-style-type: none"> ○ Promotion of various policies on bilateral, multilateral security dialogues and defense exchanges ○ Support for the activities of the UN and other international organizations in activities related to arms control and disarmament
Basic tasks for defense capability	Enforcement of joint operations	<ul style="list-style-type: none"> ○ Establishment of Joint Staff ○ Reform of the Joint Staff College, implementation of unit drills, and sharing of intelligence and communications infrastructure
	Enhancement of intelligence functions	<ul style="list-style-type: none"> ○ Strengthening the SDF intelligence structure including the recruitment, development, training and education of highly capable personnel ○ Strengthening of information gathering instruments and devices ○ Begin testing and upgrading for the reconnaissance tactics of F-15 fighters ○ Take necessary measures on endurance unmanned aerial vehicles (EAVES) after deliberation
	Response to advances in science and technology	<ul style="list-style-type: none"> ○ Enhancement of capabilities such as command and communications (aggregating and conveying command order-related information, intelligence sharing at unit levels, intelligence sharing of cyber attack countermeasure capabilities, and related organizations, deployment of advanced command and communication systems, and information communication networks) ○ Promotion of research and development (development of a successor for the P-3C fixed-wing patrol aircraft, for the C-1 transport aircraft¹⁾, replacement of present tanks, development of mobile combat vehicles, various command and control systems, and research of unmanned aerial vehicles and others)
	Effective use of human resources	<ul style="list-style-type: none"> ○ Improvement of personnel management, education and training policies ○ Promotion of research and education related to security issues
Promotion of various measures to support defense capability	Rational and efficient equipment procurement	<ul style="list-style-type: none"> ○ Promotion of Comprehensive Acquisition Reform including the restraining of lifecycle costs, deployment of efficient procurement and supply systems, and the establishment of defense production and a technological basis
	Promotion of cooperation with concerned organizations and regional communities	<ul style="list-style-type: none"> ○ Enhancement of cooperation with the police, fire department, and the Japan Coast Guard, cooperation with local public organizations and the local community based on the Law Concerning Measures for Protection of the Civilian Population in Armed Attack Situations (Civil Protection Law), and the promotion of measures taken for areas surrounding bases

Note 1: Since a delay in the delivery of test-flight aircraft due to a body strength problem has caused a delay in the development, it has been decided to pursue further efficiency in flight hours of the current C-1 and not conduct a build-up in FY2009.

2: Considering the fact that it will be possible to manage a force reduction for F-4 aircraft by collecting more information on the aircraft through the current survey and by making flight hours more efficient, it has been decided to not conduct a build-up in FY2009.

5. Scale of Build-up and Necessary Budget

1. Scale of Build-up

Fig. II-2-4-2 shows the specific scale of the build-up of main defense equipment needed for the aforementioned main projects being undertaken to improve the SDF's defense capabilities.

In accordance with the revised Mid-Term Defense Program (FY 2005-FY 2009) approved by the Security Council and the Cabinet in December of last year, the following changes have been made to the scale of the build-up of major defense equipment as set out in December 2004.

GSDF		(original MTDP)		(revised MTDP)
• Armored vehicles:		104 vehicles	→	96 vehicles
• Combat helicopters (AH-64D) :		7 units	→	4 units
• Transport helicopters (CH-47JA):		11 units	→	9 units
• Medium-range surface-to-air missiles:		8 companies	→	7 companies

MSDF		(original MTDP)		(revised MTDP)
• MSDF ship construction (total) :		20 vessels	→	17 vessels
• Patrol helicopters (SH-60K) :		23 units	→	17 units

Fig. II-2-4-2 Current State of Progress in Developing Major Equipment in the Mid-Term Defense Program

Major Equipment		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		Amount of build-up in the Review Plan for the Mid-Term Defense Program ¹				
GSDF	Tanks	12 tanks		11 tanks		9 tanks		9 tanks		8 tanks		49(49) tanks				
	Artillery(excluding mortars)	7 vehicles		7 vehicles		8 vehicles		8 vehicles		8 vehicles		38(38) vehicles				
	Armored Vehicles	16vehicles		23 vehicles		18 vehicles		22 vehicles		17 vehicles		96(104) vehicles				
	Combat helicopters(AH-64D)	2 units				1 unit		1 unit		4(7) units						
	Transport helicopters(CH-47JA)	1 unit	1 unit	1 unit	2 units		4 units				9(11) units					
	Medium-range surface-to-air guided missiles	2 companies		1company		1company		1company		2 companies		7(8) units				
MSDF	Enhance capabilities of Aegis system-equipped destroyers	1 vessel			1 vessel			1 vessel			3(3) vessels					
	Destroyers	1 vessel		1 vessel		1 vessel		2 vessels			5(5) vessels					
	Submarines	1 vessel		1 vessel		1 vessel		1 vessel			4(4) vessels					
	New fixed-wing patrol aircraft	4 planes											4(4) vessels			
	Patrol helicopters (SH-60K)	7 units				3 units		5 units			2 units		17(23) planes			
	Minesweeping and transport helicopters (MCH-101)	3 units											3(3) units			
ASDF	Enhance capabilities of Patriot surface-to-air guided missiles	Amount for 1 anti-aircraft group (used for training)			1 anti-aircraft group			1 anti-aircraft group			Periodic repair reserve		2 groups & required training, etc.		2 groups & required training, etc.) ²	
	Modernize fighter aircraft (F-15)	4 planes		2 planes		20 planes			22 planes (number increased by)				48(26) planes ³			
	Fighter aircraft (F-2)	5 planes			5 planes			8 planes					18(22) planes			
	New fighter aircraft												0(7) planes			
	New transport aircraft												0(8) planes			
	Transport helicopters (CH-47J)	1 unit			1 unit			1 unit					3(4) units			
Aerial refueling/transport aircraft (KC-767)		1 plane											1(1) plane			

Note 1: The extent of modernization, renovation and build-up of other equipment has been reviewed by the "Review of the Mid-Term Defense Program (FY 2005-2009)" (Decision by the Security Council and Cabinet on December 20, 2008).

2: Equipment for education purposes, etc. is different from equipment for military purposes, in terms of component makeup.

3: In addition to the build-up amount listed above, radar parts for 38 aircraft were acquired for the modernization and renovation of fighters (F-15).

ASDF

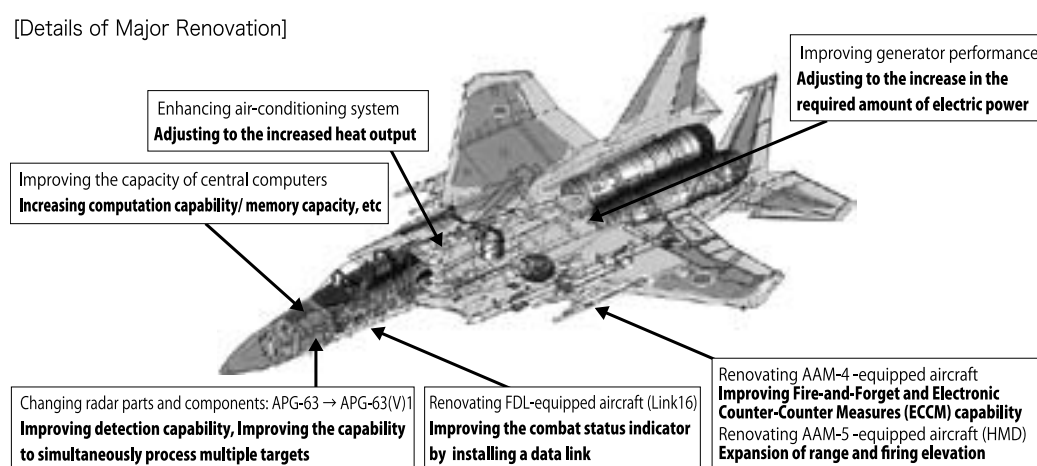
	(original MTD)	(revised MTD)
• Modernization and upgrading of fighter aircraft (F-15) :	26 units	→ 48 units
• Fighter aircraft (F-2) :	22 units	→ 18 units
• New fighter aircraft :	7 units	→ 0 units
• New transport aircraft :	8 units	→ 0 units
• Transport helicopters (CH-47J) :	4 units	→ 3 units

The revised Mid-Term Defense Program stipulates an increase in the scale of plans to modernize and upgrade fighters (F-15). This is aimed to progress the rapid strengthening of Japan's aerial defense capabilities in response to technological advances achieved by surrounding countries, and to use our main fighter aircraft effectively in the long run by carrying out a short-term and intensive build up of equipment to reduce expenditures.

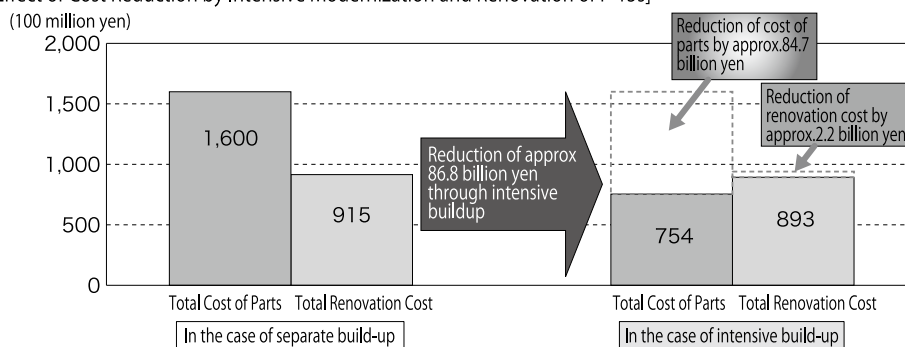
In this project, radar devices and other parts for 38 fighters will be acquired. The specifics of the upgrading of the fighters with these parts will be determined in the Mid-Term Defense Program for FY 2010 onwards. (See Fig. II-2-4-3)

Fig. II-2-4-3 Outline of F-15 Modernization and Renovation

[Details of Major Renovation]



[Effect of Cost Reduction by Intensive Modernization and Renovation of F-15s]



*1: The sum listed above is the estimated cost in the case where 60 aircraft undergo renovation.

*2: Figures, including the initial cost, are the current provisional estimates

2. Necessary Budget

Although it was envisaged that the total amount of defense-related expenditures required for the implementation of the Mid-Term Defense Program should not exceed about 24.24 trillion yen under FY 2004 prices, this figure was reduced by 600 billion yen in the review of the Mid-Term Defense Program to about 23.64 trillion yen under FY 2004 prices.

Expenses to cover the relocation of USFJ to Guam (to reduce the burden on the local community) will amount to around 90 billion yen under FY 2004 prices. This expenditure, which was not anticipated during the formulation of the original Mid-Term Defense Program, has been incorporated into the review. (See Fig. II-2-4-4 and 5)

Figure II-2-4-4 Necessary Expenses

Classification	Previous MTDP (FY 2001-FY 2005) [FY 2000 prices]	MTDP(Initial Plan)* ¹ (FY 2005-FY 2009) [FY 2004 prices]
Total value	¥25.01 trillion	¥24.24 trillion
Personnel and provisions expenses	¥11.11 trillion	¥10.61 trillion
Non-personnel expenses	¥13.90 trillion	¥13.63 trillion
Other* ²	¥150 billion	¥100 billion

Note: In view of the need for the Mid-Term Defense Program (MTDP) to show a ceiling on the amount of defense-related expenses for a period covered by the program, necessary expenses under the program are shown on a spending basis, which covers expenditures both for already concluded contracts and new contracts for the period.

*¹ : After being reviewed by the "Review of the Mid-Term Defense Program (FY 2005-2009)" (Decision by the Security Council and Cabinet on December 20, 2008), the total budget amounts to 23.64 trillion yen.

*² : If it is found particularly necessary for the response to an unforeseeable situation in the future, measures shall be taken to implement a project upon gaining the approval of the Security Council.

Fig. II-2-4-5 Contract Amounts of Material Expenses

Previous Mid-Term Defense Program (FY 2001-2005) [FY 2000 prices]	Mid-Term Defense Program (Initial Plan) (FY 2005-2009) [FY 2004 prices]
¥14,190 trillion	¥13,650 trillion

Note: Contract amount signifies new contracted expenses for procurement of equipment, which starts work during the corresponding Mid-Term Defense Program period.