

## 1 Major Matters Related to Building Up the Defense Force in FY2012

In FY2012, with increasingly becoming difficult security environment and lessons learned from the Great East Japan Earthquake in mind, Japan is steadily working to develop effective and efficient defense force, namely the Dynamic Defense Force, based on the 2010 National Defense Program Guidelines and the 2011 Mid-Term Defense Program.

In doing so, we will continue to tackle the new roles of the defense force: 1) effectively deter and respond to contingencies, 2) further stabilize the security environment of the Asia-Pacific, and 3) improve the global security environment. To fulfill these roles, we attempt to improve our abilities to deal with large-scale disaster and nuclear plant disaster, in addition

to emphasize versatile functions applicable to a wide range of operations, functions that have asymmetric response capability, and irreplaceable functions, and we will give priority to building up functions such as warning and surveillance, maritime patrols, air defense, response to ballistic missiles, transportation, and command control communications, including in southwestern areas of Japan. Furthermore, amidst growing fiscal austerity, detailed assessments will be made of the contents of each program, and then resources will be selectively concentrated only on truly necessary functions, and an effective defense force will be effectively developed.

(See Fig. II-3-3-1)



Type 12 surface-to-air missile



Maritime patrol helicopter (SH-60K)



Transport aircraft (C-2)

Fig. II-3-3-1 Main Items for FY2012 Defense Build-up

Classification	Major Projects
1. Effective deterrence and response	<p>① Conduct investigations and research related to the production of destroyers and submarines, maintenance of fixed warning and control radars, and unmanned aircraft, in order to conduct intelligence gathering as well as warning and surveillance activities constantly and continuously in nearby waters, and to enhance early detection of various signs of contingencies.</p> <p>② Acquire land sites required to deploy a coastal patrol unit on Yonagunijima Island, conduct SDF joint exercises, acquire next-generation fighter aircraft, acquire minesweeping and transport helicopters in order to respond to various contingencies on Japan's offshore islands, develop systems necessary for intelligence gathering, warning and surveillance, quick deployment and improving response capability, improving air defense capability, and securing the safety of marine traffic.</p> <p>③ Enhance the design and functions of the cyber systems used by the Joint Staff in order to better counter cyberattacks.</p> <p>④ Acquire multiple-purpose helicopters in order to quickly and effectively respond to attacks by guerrilla or special forces. Enhance response capabilities against attacks using nuclear, biological or chemical weapons while further improving readiness and mobility of the units.</p> <p>⑤ In light of lessons learned from the Great East Japan Earthquake, quickly and properly respond to various large-scale, unique disasters. Enhance various equipment and installations such as the NBC security system, dose rate meter, and training.</p> <p>⑥ Enhance capabilities of Aegis destroyers and acquire PAC-3 missiles in order to adequately prepare for ballistic missile attacks while continuing the Japan-U.S. joint development of improved BMD-capable interceptor missiles.</p>
2. Further stabilize the security environment in the Asia Pacific region	Aim to achieve a stable security environment surrounding Japan by properly conducting intelligence gathering, warning and surveillance activities, training and exercises. While advancing the Japan-U.S. Alliance, promote bilateral and multilateral defense cooperation, exchanges and joint training exercises, and development, strengthening, and capacity building support in the framework of regional cooperation.
3. Improve global security environment	Take initiatives in international peace cooperation activities while being actively involved in various activities and capacity building support in such areas as arms control, disarmament and nonproliferation. Take initiatives to promote international terrorism countermeasures and securing the safety of marine traffic.
4. Space and information communications related projects	Conduct initiatives such as maintenance and operation of X-band SATCOM in order to promote the utilization of outer space for defense purposes and to enhance information communication functions.
5. Strengthen education and research systems	Implement measures to strengthen education and research systems at the National Institute for Defense Studies, National Defense Academy and National Defense Medical College, while creating a more work-facilitating environment and enhancing various medical measures.
6. Realignment / organization related projects	Conduct unit realignment in each SDF division (e.g., the shift of JASDF Air Rescue Wing from under the Air Support Command to under the Air Defense Command, and urgent modernization and realignment of the 12th Brigade, etc.) and secure personnel to be assigned to the GSDF front-line units. In addition, form an organization to enhance the planning function regarding defense measures.
7. Promote structural reform for improved implementation of defense capabilities	Implement restructuring plans that gained certain agreement in accordance with the Roadmap, to improve effectiveness of defense capabilities (e.g., the establishment of the post of Deputy Director of the Defense Operations Department in the Joint Staff Office).
8. Efforts toward greater efficiency, etc.	Continue to rationalize and streamline overall equipment acquisition while pursuing more fairness concerning procurement. Promote various initiatives that enhance efficiency of expenditure by the Ministry of Defense.
9. Efforts towards U.S. Forces realignment	Take proper measures regarding relocation of U.S. Marine Corps stationed in Okinawa to Guam in order to steadily advance the U.S. Forces realignment.
10. Promote policies on issues regarding areas surrounding defense facilities and bases	Steadily implement measures in areas surrounding bases to reconcile interests between defense facilities and the surrounding local communities while promoting measures that facilitate smooth and effective operations of the U.S. Forces stationed in Japan.



### Deployment of a Coastal Monitoring Unit & Mobile Warning Squadron on Yonaguni Island

The National Defense Program Guidelines for FY 2011 and beyond stipulated that there will be an intensive focus on warning and surveillance functions and that efforts will be made to enhance defense readiness, including in southwestern Japan; moreover, the Mid-Term Defense Program (FY2011-FY2015) stated that as well as forming and deploying a new Ground Self-Defense Force coastal monitoring unit in island areas of southwestern Japan, Air Self-Defense Force mobile warning radar equipment would also be deployed there. In light of this, having given comprehensive consideration to the fact that the region is close to the boundaries of Japan's territorial waters and airspace, and that vital land and social infrastructure is located there, the Ministry of Defense decided at the end of September 2011 to deploy these on Yonaguni Island, which is Japan's westernmost point.



Yonaguni Island, Japan's westernmost point



Coastal monitoring unit facility

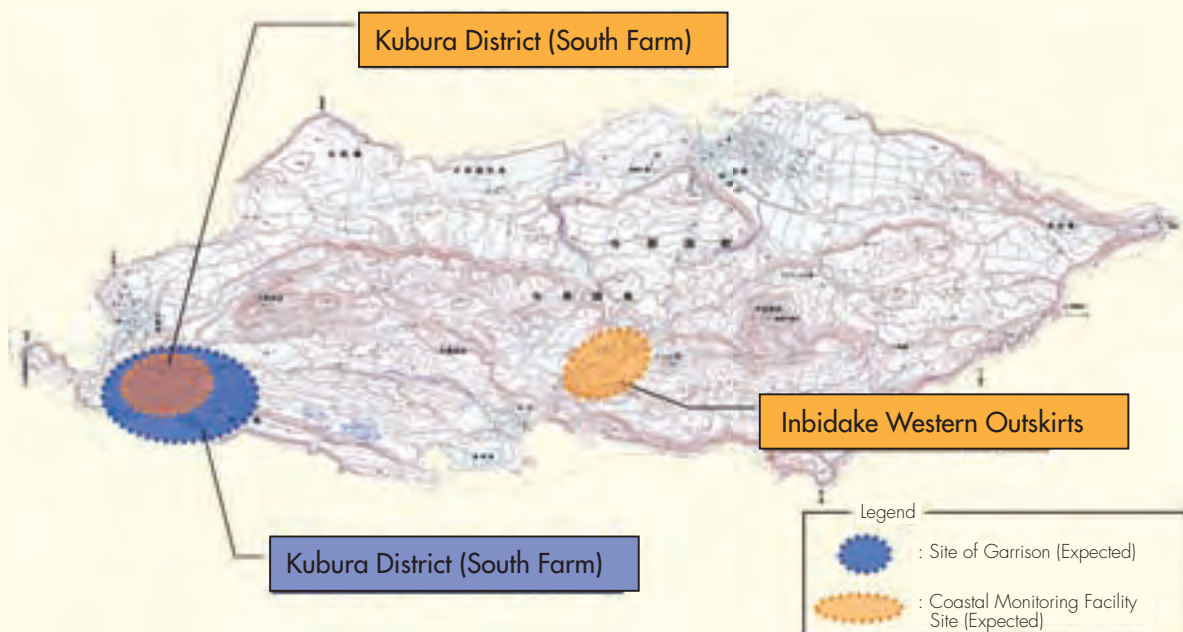


Mobile warning radar equipment facility

Deploying the coastal monitoring unit on this island will make it possible to detect at an early stage any signs of ships or aircraft approaching the vicinity, while the deployment of the mobile warning radar equipment will facilitate more effective warning and surveillance of regard to aircraft passing through surrounding areas.

In the FY2012 budget, approximately ¥1 billion was allocated for the expenditure required to deploy the coastal monitoring unit and mobile warning squadron.

The Ministry of Defense intends to deploy the coastal monitoring unit until the end of FY2015, with the understanding and cooperation of local citizens.



## 2 Background of the Budget Compilation

As to the FY2012 budget, in the Guidelines for FY2012 Budget Requests Reformulation (Cabinet decision on September 20, 2011), “Measures Prioritized for the Revitalization of Japan” was established, which funded in four specific categories: new frontier and new growth strategy, human resource development through education and employment, vitalization of local communities, and development of safe and secure society. In these categories, the Ministry of Defense for instance, in the category “development of safe and secure society”, requested the expenditure to prepare and maintain defense equipment needed to develop the Dynamic Defense Force, as well as to improve medical facilities. In the framework of this special budget allocation, the project “Upgrading response ability to disasters” was evaluated as a priority/focus project and the project “Formulation of Dynamic Defense Force” was also qualified as equivalent to a priority project by budget compilation conferences held by the government and the ruling party. Overall, the Ministry of Defense secured necessary expenditures. (See Fig. II-3-3-2)

Starting FY2010, each ministry and agency conducts “project reviews”<sup>1</sup>, and the check result thereof for FY2011 reflected the request for budget appropriations for FY2012. In addition, this procedure took place as a “project reviews public process” in June, 2012. Regarding the public process, the seven projects conducted by the Ministry of Defense in FY2011 were reviewed in terms of “necessity, efficiency, and effectiveness”. The ministry plans to properly reflect the result of the reviews for the future expenditure and the request for budget appropriations for FY2013 while continuing to further streamline budget utilization and ensure accountability and transparency toward citizens. (See Fig. II-3-3-3)

**Fig. II-3-3-2**

Budget allocation situation for the requested projects related to “Measures Prioritized for the Revitalization of Japan”

(Unit: ¥100 million, description inside [ ] in YR/YR column indicates rate of increase)

Project name	Evaluation	Cost of Allocated amount for requested measures	For FY2012 budget	
			Total	YR/YR
Formulation of Dynamic Defense Force (fuel costs, etc.)	※	81	1,418	13 [0.9%]
Formulation of Dynamic Defense Force (maintenance / repair costs, etc.)	※	153	4,450	162 [3.8%]
Upgrading response ability to disasters	○	56	97	23 [31.9%]
Ensuring information infrastructure, such as improving information security		37	87	35 [67.5%]
Enhancing measures toward peace and prosperity in the world		4	4	2 [Roughly double]
Stable operation of defense facilities that forms the basis of activities for the SDF and U.S. Forces		104	424	33 [8.6%]
Contribution to medical care in the region		8	9	0 [0.7%]
			6,488	269 [4.3%]

Notes: Evaluation is based on the final report from the working-level meeting in the 4th government/ruling party conference (December 9, 2011) pertaining to the budget drafting

- : Priority/focus project related to “Measures Prioritized for the Revitalization of Japan” (Organizing equipment that will truly contribute to response for nuclear disasters and prioritization of training to respond to disasters is required)
- ※ : Requires a certain amount of consideration as something equivalent to a priority/focus project when considering the objective/intent of “Measures Prioritized for the Revitalization of Japan” (Required amount will be allocated in the process of prioritizing and streamlining the overall project through demand and request)

**Fig. II-3-3-3**

Results of the 2012 Administrative Project Reviews in the Ministry of Defense (Public Process)

No.	Projects	Result of public process
1	1996 multiple purpose guided missile system	Partial improvement
2	Submarines(SS)	Partial improvement
3	Modernization and improvement of fighter aircraft (F-15)	Partial improvement
4	Exchange among units	Partial improvement
5	Budget needed for SDF Reserve Personnel Budget needed for SDF Ready Reserve Personnel Budget needed for SDF Reserve Personnel Candidates	Partial improvement

<sup>1</sup> The process by which government agencies ascertain the facts on the ground regarding the recipients of budget expenditure and the uses of the funds, etc., inspect their own programs, including through a public process with external experts, and reflect the results in the implementation of the programs, budget requests, etc.