(Provisional Translation)

NATIONAL DEFENSE PROGRAM GUIDELINES

for FY 2011 and beyond

Approved by the Security Council and the Cabinet on December 17, 2010

I. NDPG's Objective
II. Basic Principles of Japan's Security
III. Security Environment Surrounding Japan
IV. Basic Policies to Ensure Japan's Security
V. Future Defense Forces
VI. Basic Foundations to Maximize Defense Capability
VII. Additional Elements for Consideration
Attached Table

I. NDPG's Objective

In light of the current security environment surrounding our country, and according to the 'Defense Program of Fiscal Year 2010' (approved by the Security Council and the Cabinet on December 17, 2009), the Government of Japan sets out the "National Defense Program Guidelines for FY 2011 and beyond" as a new guideline for Japan's security policy and defense forces.

II. Basic Principles of Japan's Security

The first objective of Japan's security policy is to prevent any threat from directly reaching Japan and to eliminate external threats that have reached it so as to minimize the ensuing damage, and thereby secure the peace and security of Japan and its people. The second objective is to prevent threats from emerging by further stabilizing the

security environment in the Asia-Pacific region and by improving the global security environment, so as to maintain and strengthen a free and open international order and ensure Japan's security and prosperity. The third objective is to contribute to creating global peace and stability and to secure human security.

In order to achieve these objectives, Japan will promote its own efforts, facilitate cooperation with its ally and countries in the Asia-Pacific, and pursue multi-layered security cooperation with the international community in a consolidated manner. Measures for this include more active utilization of Japan's diplomatic and defense capability, support for the United Nations' activities related to international peace and security, and promotion of diplomatic efforts such as establishing cooperative relationships with other countries.

Under the Constitution, and in line with basic principles such as maintaining an exclusively defense-oriented policy and not becoming a military power that poses a threat to other countries, Japan will continue to uphold its basic defense policies, such as securing civilian control, maintaining the three non-nuclear principles, and building a modest defense force. At the same time, Japan will participate more actively in activities in which the international community cooperates to improve the international security environment (hereinafter referred to as "international peace cooperation activities"), including United Nations peace-keeping activities and activities to deal with non-traditional security issues, such as humanitarian assistance, disaster relief and counter-piracy initiatives.

To address the threat of nuclear weapons, Japan will play a constructive and active role in international nuclear disarmament and non-proliferation efforts, so as to achieve the long-term goal of creating a world without nuclear weapons. At the same time, as long as nuclear weapons exist, the extended deterrence provided by the United States, with nuclear deterrent as a vital element, will be indispensable. In order to maintain and improve the credibility of the extended deterrence, Japan will closely cooperate with the United States, and will also appropriately implement its own efforts, including ballistic missile defense and civil protection.

III. Security Environment Surrounding Japan

1. Looking at trends of the global security environment, the probability of large-scale war between major countries has declined due to increasing interdependence among countries, but there is now a growing risk that the impact of unrest or a security problem in a single country will immediately spread worldwide. Moreover, in addition to

regional conflicts arising from ethnic and religious disputes, there are a growing number of so-called “gray-zone” disputes—confrontations over territory, sovereignty and economic interests that are not to escalate into wars.

In such an environment, we are witnessing a global shift in the balance of power with the rise of powers such as China, India and Russia, along with the relative change of influence of the United States. On the other hand, the United States continues to play the most significant role in securing global peace and stability.

Proliferation of weapons of mass destruction and ballistic missiles, international terrorist organizations and piracy remain imminent security challenges for the international community, including Japan. Regional conflicts and the countries whose governance has weakened or collapsed also pose a challenge that could affect the global security environment. Moreover, risks concerning sustained access to the seas, outer space and cyberspace have emerged as a new challenge. From a long-term perspective, we should also be aware of the impact which climate change may have on the security environment.

It is extremely difficult for countries to individually deal with these global security challenges, and thus, it is important that countries that share common interests to regularly cooperate with each other.

The role of military forces in the international community is becoming increasingly diverse. In addition to deterring or responding to armed conflicts and building confidence and promoting friendship among countries, military forces, in cooperation with the non-military sector, are playing an important role in a growing number of cases, in conflict prevention, peace building such as reconstruction assistance, and in the non-traditional security field.

2. In the Asia-Pacific region, as interdependence expands and deepens, countries are strengthening their cooperation with each other to resolve security challenges. In particular, specific cooperative measures are being undertaken to resolve challenges in the non-traditional security field.

The global shift in the balance of power is apparent in the Asia-Pacific region. Large-scale military forces, including nuclear forces, continue to be concentrated in the areas surrounding Japan, and many countries are modernizing their military forces and increasing their military activities. In addition, there remain unclear and uncertain elements in the region, such as disputes over territories and the maritime domain, and issues over the Korean Peninsula and the Taiwan Strait.

North Korea is continuing its development, deployment and proliferation of weapons

of mass destruction and ballistic missiles, and maintains a large-scale special operations force. It has also repeatedly conducted provocative military actions on the Korean Peninsula. North Korea's military activities constitute an immediate and grave destabilizing factor to regional security. They also pose a serious challenge to international non-proliferation efforts.

China, a growing major power, is beginning to play an important role for regional and global security. On the other hand, China is steadily increasing its defense expenditure. China is widely and rapidly modernizing its military force, mainly its nuclear and missile force as well as navy and air force, and is strengthening its capability for extended-range power projection. In addition, China has been expanding and intensifying its maritime activities in the surrounding waters. These trends, together with insufficient transparency over China's military forces and its security policy, are of concern for the regional and global community.

Russia has significantly reduced the size of its military forces in the Far East since the end of the Cold War, but its military activities are increasingly robust.

In such an environment, the United States is strengthening its engagement in this region. It attaches increasing importance to cooperation with its allies and partners, including Japan, the Republic of Korea and Australia, and is striving to enhance security ties through bilateral and multilateral frameworks. These efforts are important contributions to the peace and stability of the Asia-Pacific region and lay the foundation for the United States in tackling global security challenges.

3. Japan, with its vast territorial waters, is a trading nation which heavily depends on imports for the supply of foods and resources and on foreign markets. Thus, securing maritime security and international order is essential for the country's prosperity. Moreover, Japan is geographically surrounded by water and has a long coastline and numerous islands. In addition to frequent natural disasters, Japan faces security vulnerabilities resulting from the concentration of industry, population and information infrastructure in urban areas and from the presence of a large number of key facilities in coastal areas.

4. In considering the above, a full-scale invasion against Japan that will threaten its existence, such as a large-scale landing invasion, is unlikely to occur, but the security challenges and destabilizing factors Japan faces are diverse, complex and intertwined. Japan needs to appropriately deal with various contingencies arising from such challenges and factors (hereinafter referred to as "various contingencies"). It is also

important that Japan actively tackle both regional and global security challenges in cooperation with its ally, partners and other countries concerned.

IV Basic Policies to Ensure Japan’s Security

1. Japan's Own Efforts

(1) Basic ideas

Recognizing that a country's security depends first and foremost on its own efforts, Japan will constantly utilize all means to ensure its security under the basic defense policies, and in cooperation with its ally, partners and other countries concerned. In the event of various contingencies, it will seamlessly deal with the situation as it unfolds.

(2) Integrated and strategic activities

Japan will conduct integrated and strategic activities as follows.

a. Japan will improve its capability to collect and analyze information in the relevant government ministries and agencies. It will also strengthen its information security system that extends across ministries and agencies so as to facilitate information sharing among them. In doing so, Japan will promote its efforts to develop and use outer space, from the perspective of, strengthening information gathering and communications functions, among others. In order to enable stable use of cyberspace, Japan will also expand its posture and strengthen its capability in dealing with cyber attacks in a comprehensive manner.

b. The Cabinet Secretariat, the Ministry of Defense and the Self-Defense Forces (SDF), the police forces, the Japan Coast Guard, the Ministry of Foreign Affairs, the Ministry of Justice and other government agencies will regularly cooperate with each other. In the event of various contingencies, the Cabinet, led by the Prime Minister, will make rapid and appropriate decisions and respond to such contingencies in an integrated manner in cooperation with the local governments. To this end, the Government will examine the functions and systems related to its decision-making and response, through initiatives such as regular simulation exercises of various contingencies and comprehensive training and exercises, and consider necessary policies, including legal measures.

c. After examining the current organization, functions, and structure of the Cabinet

related to security issues, including the Security Council, the Government will establish a body in the Prime Minister’s Office which will be responsible for national security policy coordination among relevant ministers and for providing advice to the Prime Minister.

d. Japan will continue to improve its system for responding to various disasters and for civil protection. The national government and local governments will closely cooperate with each other to ensure an appropriate response.

e. Japan will participate in activities to improve the global security environment, including international peace cooperation activities, in a more efficient and effective manner, with government ministries and agencies cooperating not only with each other but also with non-governmental organizations and other entities. Taking into consideration the actual situations of United Nations peace-keeping operations, Japan will consider how it will participate in future peace-keeping operations by examining current policies, such as the five principles for participation in peace-keeping operations.

f. Japan will strive to make its security and defense policies easier to understand, so as to promote an understanding of security and defense issues among its people, as well as to secure national security. It will also strengthen its information dissemination abroad in order to further deepen the international community’s understanding of its security and defense policies.

(3) Japan's defense force ― Dynamic Defense Force

Japan's defense force is the ultimate guarantee of its national security, representing Japan's will and ability to prevent direct threats to Japan from reaching the country and to eliminate any threat that reaches it.

Under the current trends of the security environment, building defense forces that can effectively respond to security challenges is important. In particular, comprehensive operational performance such as readiness for an immediate and seamless response to contingencies is increasingly important, considering shortening warning times of contingencies due to exponential advances in military technology. Clear demonstration of national will and strong defense capabilities through such timely and tailored military operations as regular intelligence, surveillance, and reconnaissance activities (ISR), not just maintaining a certain level of defense force, is a critical element for ensuring

credible deterrence and will contribute to stability in the region surrounding Japan. To this end, Japan needs to achieve greater performance with its defense forces through raising levels of equipment use and increasing operations tempo, placing importance on dynamic deterrence, which takes into account such an operational use of the defense forces.

At the same time, the roles of the defense forces are increasing and becoming more diverse, and it is necessary to strengthen bilateral and multilateral cooperation and actively conduct international peace cooperation activities.

For these reasons, Japan's future defense forces need to acquire dynamism to effectively deter and respond to various contingencies, and to proactively engage in activities to further stabilize the security environment in the Asia-Pacific and to improve the global security environment. Japan should no longer base its defense on the traditional defense concept, "Basic Defense Force Concept," which places priority on ensuring deterrence through the existence of defense forces per se. More specifically, Japan will develop a Dynamic Defense Force that possesses readiness, mobility, flexibility, sustainability, and versatility. These characteristics will be reinforced by advanced technology based on the trends of levels of military technology and intelligence capabilities.

In order to deal with the increasingly difficult security environment, Japan needs to steadily build an appropriate-size defense force. In doing so, Japan will choose truly necessary functions on which to concentrate resources, and carry out structural reform of the defense forces, thereby producing more outcome with limited resources. To this end, Japan will drastically rationalize and streamline the SDF overall through fundamentally reviewing, in light of its difficult fiscal condition, the equipment, personnel, organization and force disposition, including the equipment and personnel that have been maintained as preparation to defend against a full-scale invasion. Moreover, by implementing a drastic review of the SDF personnel management system, Japan will seek to curb personnel costs and improve efficiency as well as increase the strength of SDF personnel by lowering its average age. These initiatives will lead to improving the structure of the defense budget, which has a high proportion of personnel cost that currently suppresses the expenditure for the SDF's activities.

2. Cooperation with its Ally

Japan and the United States, which share basic values, have maintained an alliance centering on the Japan-U.S. Security Arrangements, and the Japan-U.S. Alliance remains indispensable in ensuring the peace and security of Japan. In addition, the

military presence of the U.S. armed forces in Japan allow countries in the Asia-Pacific region to have a strong sense of security by functioning as deterrence against and response to contingencies in this region. The Japan-U.S. Alliance is also important for Japan to participate in multilateral security cooperation and effectively respond to global security challenges.

In light of the significance of the Japan-U.S. Security Alliance as described above, Japan will further deepen and develop the Alliance to adapt to the evolving security environment. In doing so, Japan will continue to engage in strategic dialogue and specific policy coordination with the United States, including bilateral assessment of the security environment and bilateral consultations on common strategic objectives, and roles, missions and capabilities. Japan will also promote cooperation in existing fields, including intelligence cooperation, deepening of bilateral contingency planning, various operational cooperation including that upon situations in areas surrounding Japan, ballistic missile defense and equipment and technology cooperation, as well as consultations to improve the credibility of extended deterrence and information security. In addition, in order to strengthen the U.S. forces' deterrent and response capability to regional contingencies, Japan will study measures to enhance bilateral cooperation with the United States. Moreover, Japan will strengthen various regular cooperation, such as joint training and joint/shared usage of facilities, and promote regional and global cooperation through international peace cooperation activities, maintenance and enhancement of international public goods such as outer space, cyberspace and sea lanes, as well as in the field of climate change.

At the same time, while maintaining the deterrence provided by the U.S. forces, to reduce the burden on local communities such as Okinawa where U.S. military bases are located, Japan will steadily implement specific measures to review the posture of the U.S. forces in Japan. It will also take active measures for the smooth and effective stationing of U.S. forces in Japan, including Host Nation Support.

3. Multi-layered Security Cooperation with the International Community

(1) Cooperation in the Asia-Pacific region

In order to effectively promote measures to further stabilize the Asia-Pacific region, together with the Japan-U.S. Alliance, a security network needs to be created by combining bilateral and multilateral security cooperation in a multi-layered manner.

In particular, Japan will strengthen its cooperation with the Republic of Korea and Australia, which are allies of the United States and share basic values and many security-related interests with Japan, through bilateral initiatives and multilateral

cooperation involving the United States. Japan will also maintain and enhance security cooperation with the Association of Southeast Asian Nations (ASEAN) countries, which are its traditional partners. Moreover, Japan will enhance cooperation with India and other countries that share common interests in ensuring the security of maritime navigation from Africa and the Middle East to East Asia.

Japan will promote confidence with China and Russia, which have significant influence over regional security, through security dialogues and exchanges, and establish and develop a cooperative relationship with them in areas including non-traditional security fields. In particular, with regard to China, in line with efforts to establish a “Mutually Beneficial Relationship based on Common Strategic Interests,” and recognizing that it is extremely important to enhance a constructive and cooperative relationship with China in various fields, Japan, together with countries including its ally, partners and other countries concerned, will actively engage in encouraging China to take responsible actions in the international community..

Concerning multilateral security cooperation, through such frameworks as the ASEAN Regional Forum (ARF) and the ASEAN Defence Ministers' Meeting Plus (ADMM Plus), Japan will play an appropriate role in efforts toward establishing regional order, norms and practical cooperative relationships, particularly through initiatives in the non-traditional security field.

(2) Cooperation as a member of the international community

In order to improve the global security environment and help maintain the security and prosperity of Japan, Japan will actively engage in diplomatic efforts, including the strategic and effective use of Official Development Assistance (ODA), in order to resolve root causes of conflicts and terrorism.

Along with these diplomatic efforts, Japan will robustly engage in international peace cooperation activities. In doing so, Japan will strive to provide assistance which makes use of its knowledge and experience and will conduct such activities strategically, while comprehensively taking into account the various conditions surrounding it.

Moreover, regarding activities concerning the global security environment, Japan will enhance cooperation with the European Union (EU), the North Atlantic Treaty Organization (NATO) and European countries, play an active role in international activities to maintain and strengthen international public goods, including the stable use of the maritime domain, outer space and cyberspace, and actively facilitate efforts by the international community to promote disarmament and prevent proliferation of weapons of mass destruction, missiles and other means of delivery. In addition, Japan

will actively participate in humanitarian assistance and disaster relief in the event of large-scale natural disasters or pandemics.

For the international community to effectively respond to new challenges of the 21st century, the organization of the United Nations, as the sole universal and comprehensive international body, needs to be reformed in a way that increases its effectiveness and credibility. Japan will continue to actively tackle this challenge.

V. Future Defense Forces

1. Roles of Defense Forces

Japan will strengthen its defense forces in order to perform its roles properly in the following fields based on the Dynamic Defense Force concept. In doing so, the SDF will ensure regular cooperation with relevant organizations.

(1) Effective deterrence and response

In order to closely follow trends in military activities of neighboring countries and detect indications of various contingencies promptly, the SDF will ensure information supremacy through continuous ISR in the country and its surrounding areas. Should various contingencies occur, the SDF will quickly and seamlessly respond as the situation unfolds. In addition, the SDF will maintain a minimum necessary level of preparations against full-scale invasion, given possible changes in uncertain future circumstances.

In pursuing the above, priority will be placed on the following areas in particular.

a. Ensuring security of sea and air space surrounding Japan

The SDF will strive to ensure the security of the surrounding sea and air space and effectively respond to acts that harm Japan’s national interests through such measures as continuous ISR.

b. Response to attacks on offshore islands

The SDF will respond to attacks on Japan’s offshore islands by quickly deploying mobile units to prevent and reject invasion, in cooperation with other permanently stationed units. In such circumstances, the SDF will ensure air defense readiness on those islands to respond to cruise missiles and other attacks. It will also ensure air supremacy and the security of sea lanes in the surrounding sea and air space.

c. Response to cyber attacks

The SDF will respond to cyber attacks by operating functions necessary for defending the information system of the SDF in an integrated manner. By accumulating advanced expertise and skills needed to tackle cyber attacks, the SDF will contribute to the government-wide response to cyber attacks.

d. Response to attacks by guerrillas and special operations forces

The SDF will respond to attacks by guerrillas and special operations forces quickly and flexibly by deploying units with a high level of readiness while focusing on mobility. In particular, priority will be placed on ISR to prevent guerrillas and special operations forces from infiltrating coastal areas, protecting key facilities, and searching and destroying invading units.

e. Response to ballistic missile attacks

The SDF will respond to ballistic missile attacks by maintaining a continuous ISR posture. In addition, the SDF will respond effectively to ballistic missiles capable of evading interceptors by developing a multi-layered defense posture. Should by some chance any damage were to occur, the Government will take consequence management measures to minimize it.

f. Response to complex contingencies

The SDF will effectively respond to the above-mentioned contingencies while taking into account the possibility of different and multiple contingencies occurring consecutively or simultaneously.

g. Response to large-scale and/or chemical, biological, radiological and nuclear (CBRN) disasters

The SDF will respond to large-scale and CBRN disasters by conducting disaster relief operations anywhere in Japan through cooperation with local governments and other organizations.

(2) Efforts to further stabilize the security environment of the Asia-Pacific region

Japan will aim to stabilize the security environment in the areas surrounding Japan by conducting various activities, including continuous ISR, training and exercises, in a timely and appropriate manner.

In order to maintain stability in the Asia-Pacific region, Japan will also promote

bilateral and multilateral defense cooperation and exchanges as well as joint training and exercises in a multi-layered manner while enhancing the Japan-U.S. Alliance. Moreover, in non-traditional security fields, Japan will promote practical cooperation by utilizing SDF capabilities, including disposal of landmines and unexploded shells. Japan will also strive to establish and strengthen regional cooperation practice and support the capacity building of countries in the region.

(3) Efforts to improve the global security environment

Japan will continue to actively participate in international peace cooperation activities, including peace building such as humanitarian and reconstruction assistance and ceasefire monitoring. Japan will also actively engage in various activities conducted by the United Nations and other organizations such as arms control and disarmament, nonproliferation and support for capacity building. Moreover, Japan will cooperate with its ally, partners and other countries concerned to actively promote efforts to tackle international terrorism, secure the safety of maritime traffic and maintain maritime order.

2. Self-Defense Forces: Force Posture

The SDF will maintain the following postures in addition to capabilities necessary for responding to various contingencies so as to effectively perform the roles prescribed for the defense forces in section 1.

(1) Readiness

The SDF will raise the readiness of units by maintaining a readiness posture, enhancing mobility, and sustaining and improving skills and operations tempo. It will appropriately and efficiently station units so they can operate quickly and effectively enough. Japan will also secure durable base functions, fuel and ammunition supplies (including training ammunition) and ensure the maintenance of equipment so that the SDF, as a Dynamic Defense Force, will be able to effectively perform its roles in deterrence and response.

(2) Joint operations

The SDF will facilitate smooth joint operations by maintaining command and control functions and an information-sharing system, utilizing advanced information and communications networks including satellite communications, as well as maintaining a posture to deal with cyber attacks, in addition to an information-collecting posture to

collect information necessary for quick and effective responses.

(3) International peace cooperation activities

The SDF will strive to enhance capabilities and posture applicable to diverse missions, rapid deployment and long-term operations so it can actively participate in international peace cooperation activities.

3. Self-Defense Forces: Organization, Equipment and Force Disposition

(1) Basic concept

Japan will maintain an efficient organization, equipment and force disposition that will enable the SDF to effectively perform its roles described in section 1 while maintaining the posture described in section 2.

In this respect, in order to effectively and efficiently build up its defense forces, Japan will prioritize strengthening functions applicable to a wide variety of operations, functions that have asymmetrical capability, and functions which cannot be substituted. Specifically, Cold War-style equipment and organizations will be reduced, and the geographical location of forces and operational modalities of each service of the SDF will be appropriately reviewed. In addition, the SDF will enhance its defense posture by placing priority on strengthening such functions as ISR, maritime patrol, air defense, response to ballistic missile attacks, transportation, and command communications, including in the southwestern region.

To respond to changes in the security environment, budget allocation among each service of the SDF will be subject to drastic review by excluding sectionalism and from a comprehensive perspective regardless of precedent.

To promote joint operations of the SDF and strengthen the posture for cooperation between the SDF and the U.S. Forces, Japan will comprehensively review the modality of basic operational units (divisions and brigades) and the five Regional Armies of the Ground Self-Defense Force while giving consideration to improving the efficiency of command and control functions.

As regards preparations against full-scale invasion, the SDF will maintain relevant knowledge and expertise at a minimum necessary level in order to respond to possible changes in uncertain future circumstances.

(2) Priorities in strengthening SDF organization, equipment and force disposition

To strengthen the organization, equipment and force disposition, the SDF will place priority on the following matters.

a. Strengthening of joint operations

In order to facilitate joint operations, the SDF will enhance the basis for joint operations, including the functions of the Joint Staff, command and control system, information-collecting capability and education and training. The SDF will also develop effective and efficient systems applicable to joint operations by reorganizing, merging, centralizing and creating hubs for functions that extend across all three services of the SDF, such as transportation, medical service, anti-aircraft artillery, search and rescue, procurement, supply and maintenance of equipment, and management of camps and bases.

b. Response to attacks on off-shore islands

The SDF will permanently station the minimum necessary units on off-shore islands where the SDF is not currently stationed. Also, the SDF will enhance its capability to respond to attacks on those islands and ensure the security of the surrounding sea and air space by securing bases, mobility, transport capacity and effective countermeasures necessary for conducting operations against such attacks.

c. Strengthening capabilities for international peace cooperation activities

The SDF will enhance its capabilities for international peace cooperation activities by upgrading equipment, strengthening maritime and air transport capability, enhancing its logistical support posture, enhancing its engineering and medical functions, and reinforcing its education and training systems.

d. Enhancement of intelligence functions

In order to detect indications of various contingencies promptly and collect, analyze and share information appropriately, the SDF will strengthen its diverse information-collecting capabilities utilizing advanced technology, including space technology, and the all-source analysis and assessment capabilities of the Defense Intelligence Headquarters and other organizations. Additionally, the SDF will strengthen the information sharing system among sections responsible for information collection, operations and policy making. Furthermore, the SDF will improve the system for providing appropriate intelligence support for activities conducted in remote areas through such measures as strengthening capabilities to collect geospatial information, so as to enable SDF units dispatched abroad to perform missions smoothly and safely. In addition, the SDF will make efforts to expand and enhance intelligence

cooperation and exchanges with countries concerned.

e. Incorporating progress in science and technology into defense forces

In order to develop defense forces underpinned by advanced technology and information capabilities, the SDF will appropriately exploit the achievements of technological innovation. In particular, the SDF will ensure reliable command and control and quick information sharing by developing an advanced command communications system and information and communications network, as well as develop a system for responding to cyber attacks in an integrated manner.

f. Efficient and effective build up of defense forces

Mindful of increasingly severe fiscal conditions, Japan will control defense expenditures by further rationalizing and streamlining its defense forces. At the same time, Japan will make sure its defense forces smoothly and successfully perform their missions while harmonizing other measures taken by the Government. To that end, Japan will clearly prioritize among its defense projects, concentrate resources on selected projects and promote efforts described in chapter VI.

(3) Organization, equipment and disposition of each service of the Self-Defense Forces

A. Ground Self-Defense Force (GSDF)

(a) The GSDF will achieve appropriate force disposition of highly mobile units with ISR capabilities according to geographical characteristics in order to integrally intertwine various functions and effectively respond to various contingencies. These units can be rapidly deployed to various locations, and are capable of performing diverse missions, including international peace cooperation activities. In so doing, priority will be placed on the defense of off-shore islands where SDF units are not currently stationed, and the organization and personnel structure of units will be reviewed so as to ensure thorough rationalization and streamlining of the defense forces.

(b) The GSDF will maintain mobile operating units sustaining specialized functions so that it can effectively perform such operations as air transportation, airborne operations, defense against NBC (nuclear, biological, and chemical) weapons, special operations and international peace cooperation activities.

(c) The GSDF will maintain surface-to-air guided missile units so that it can effectively

provide air defense to protect operational units and key areas.

B. Maritime Self-Defense Force (MSDF)

(a) The MSDF will maintain destroyer units and ship-based patrol helicopter units that can be operated flexibly so as to ensure the defense of the seas surrounding Japan, the security of sea lanes, and conduct of international peace cooperation activities, by regularly conducting such operations as ISR and anti-submarine operations. In addition, the destroyer units will maintain Aegis-equipped destroyers capable of providing multi-layered defense for the whole of Japan against ballistic missile attacks, together with the surface-to-air guided missile (SAM) units mentioned in paragraph C(c).

(b) The MSDF will maintain augmented submarine units so that it can effectively conduct regular underwater ISR on a broad scale in the seas surrounding Japan as well as patrolling activity in those seas.

(c) The MSDF will maintain fixed-wing patrol aircraft units so that it can effectively conduct regular sea-surface ISR on a broad scale in the seas surrounding Japan as well as patrol in those seas.

(d) The MSDF will maintain minesweeper units so that it can effectively conduct minesweeping in the seas surrounding Japan.

C. Air Self-Defense Force (ASDF)

(a) The ASDF will maintain air warning and control units so that it can conduct continuous ISR in most air space over Japan and the surrounding areas, detect and track any ballistic missiles flying into Japanese air space, and effectively conduct warning and control when necessary.

(b) In addition to the air warning and control units mentioned in paragraph (a), the ASDF will maintain fighter aircraft units comprised of highly capable new fighter aircraft, an air reconnaissance unit, as well as air transport units and aerial refueling/transport units which enable effective international peace cooperation activities, so that fighter aircrafts and support functions can conduct national air defense in an integrated manner.

(c) The ASDF will maintain surface-to-air guided missile units which will provide air

defense to protect key areas and multi-layered defense for the whole of Japan against ballistic missile attacks, together with the Aegis-equipped destroyers mentioned in paragraph B(a).
The specifics of major organizations and equipment are as shown in the Annex Table.

VI. Basic Foundations to Maximize Defense Capability

In order to prepare, maintain, and operate the defense forces in an efficient and effective manner, Japan will place priority on the following matters.

(1) Effective utilization of human resources

Japan will take various measures to maintain high morale and rigorous discipline among SDF personnel. In order to appropriately adapt to the declining birth rate, the increasing ratio of people receiving higher education and the diversification of SDF missions, it will strive to recruit, retain and develop high-quality human resources and provide necessary education and training. The SDF will also enhance a medical service infrastructure to maintain the health and strength of personnel. Moreover, Japan will enhance the intellectual foundations for national security issues by promoting research and education in that field. In order to ensure appropriate treatment of personnel involved in the execution of arduous or dangerous missions, Japan will review the overall institutional framework of the SDF personnel treatment system.

At the same time, the SDF will appropriately manage the total number and structure of SDF personnel so as to maintain the vigor of the forces. In this respect, the SDF will review the rank and age structure so as to reduce the proportion of officers, warrant officers and sergeants and increase the number of privates while giving consideration to the balance among the missions of the SDF and the physical strength, experiences and skills of personnel. In addition, the SDF will also carry out reform of its personnel management system by reviewing the duties of SDF personnel from the perspective of optimization of assignments, so as to give precedence to younger personnel in assignment to front-line units while applying an optimum level of salaries and other terms to personnel engaged in other duties. This reform will include review of personnel management policy in line with the direction toward personnel cost reduction for national civil servants as a whole. Moreover, the SDF will secure effective defense capability amid severe fiscal conditions by further rationalizing personnel and curbing personnel costs while streamlining logistical operations through effective utilization of private-sector resources and capabilities. In this respect, Japan will promote effective

use of retired SDF personnel in society, implement measures to support their re-employment including in the public sector, and ensure they receive adequate post-retirement treatment. The SDF will also seek to introduce an early retirement system to be implemented together with the above measures. In addition, Japan will actively promote public-private cooperation and personnel exchanges.

(2) Enhancement of the basis for operating equipment

The SDF will enhance the operational basis of equipment essential to the exercise of defense capability through such measures as efficiently and effectively maintaining equipment and by maintaining a high level of operations tempo.

(3) Improvement in the efficiency of equipment procurement

The SDF will improve the cost-efficiency of equipment procurement by making thorough efforts to curb the lifecycle costs of equipment, including the acquisition cost, and through improving the overall contract system and further adopting efficient procurement systems such as short-term lump-sum purchases. The SDF will also enhance transparency over procurement by strengthening the external audit system.

(4) Development and maintenance of defense production capability and technological bases

From the perspective of the importance of national security, Japan will set forth a strategy for defense production capability and technological bases. With this strategy, Japan will identify critical defense production capabilities and technologies that should be kept in the country and, through selection and concentration, develop and maintain defense forces in a stable manner from the medium- to long-term perspective by concentrating resources on the development and maintenance of those capabilities and technologies.

(5) Consideration of measures in response to changes in the international environment regarding defense equipment

In contributing to peace and promoting cooperation in international community, there are increasing opportunities to conduct effective cooperation activities through measures such as the utilization of heavy machinery and other defense equipment carried to the site by the SDF and providing equipment to disaster-stricken countries. Moreover, it has become the mainstream among developed countries to improve the performance of defense equipment and to deal with rising costs of equipment by

participating in international joint development and production projects. Japan will study measures to respond to such major changes.

(6) Relationship between defense facilities and local communities

In order to promote efficient maintenance and improvement of defense facilities, Japan will implement various measures to reconcile interests between such facilities and the surrounding local communities in close cooperation with relevant local governments.

VII. Additional Elements for Consideration

1. These Guidelines provide the vision for our defense forces for approximately the next decade, to promote innovation of the defense forces. In case there are significant changes in circumstances, Japan will review and, if necessary, revise the Guidelines in light of the security environment and technological trends at that time, among other things.

2. Japan will conduct systematic transition management and ex-post verification so as to ensure smooth, swift and appropriate transition to the defense forces outlined in these Guidelines. Japan will also conduct constant study on the future of its defense forces so as to contribute to the review and revision process mentioned in paragraph 1.

(Attached Table)

Ground Self-Defense Force	Personnel		154,000
	Regular personnel		147,000
	Ready Reserve Personnel		7,000
	Major Units	Regionally deployed units	8 divisions 6 brigades
		Mobile operation units	Central Readiness Force 1 armored division
		Surface-to-air guided missile units	7 anti-aircraft artillery groups/regiments
	Major Equipment	Tanks	Approx. 400
		Howitzers and rockets	Approx. 400
Maritime Self-Defense Force	Major Units	Destroyer units	4 flotillas (8 divisions)
			4 divisions
		Submarines units	6 divisions
		Minesweeper unit	1 flotilla
		Patrol aircraft units	9 squadrons
	Major Equipment	Destroyers	48
		Submarines	22
		Combat aircraft	Approx. 150
Air Self-Defense Force	Major Units	Air warning & control units	4 warning groups
			24 warning squadrons
			1 AEW group (2 squadrons)
		Fighter aircraft units	12 squadrons
		Air reconnaissance unit	1 squadron
		Air transport units	3 squadrons
		Aerial refueling/transport unit	1 squadron
		Surface-to-air guided missile units	6 groups
	Major Equipment	Combat aircraft	Approx. 340
		Fighters	Approx. 260
Assets capable of ballistic missile defense (BMD)*		Aegis-equipped destroyers	** 6
		Air warning & control units	11 warning groups/squadrons
		Surface-to-air guided missile units	6 groups

* The numbers of units and equipment in this row are already included in the Maritime and Air Self-Defense Forces' major units sections above.

** Additional acquisition of BMD-capable, Aegis-equipped destroyers, if to be provided separately, will be allowed within the number of destroyers set above after consideration of development of BMD-related technologies and fiscal conditions in the future, among other factors.