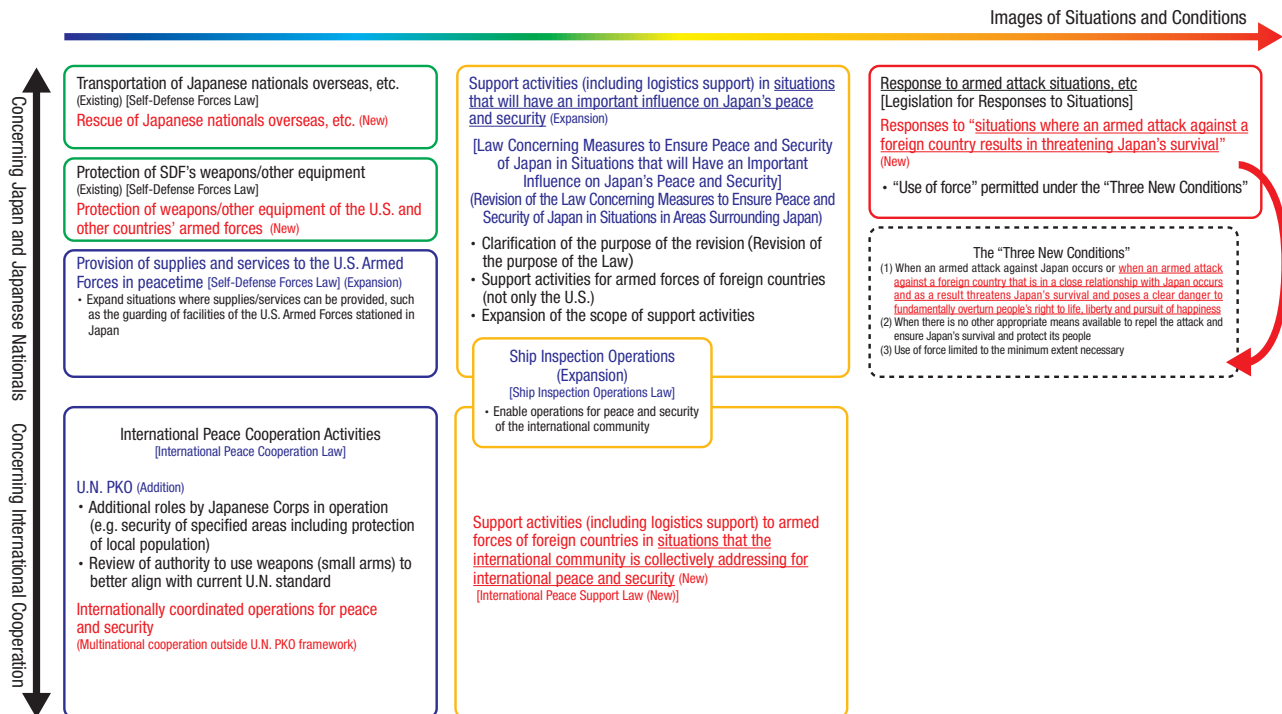


Part II Japan's Security and Defense Policy and the Japan-U.S. Alliance

Outline of the Bill for the Development of Legislation for Peace and Security (1)

Key Points regarding the Legislation for Peace and Security



Reorganizing the Agenda Items of the National Security Council (NSC) [Act for Establishment of the National Security Council]

(Note) Cabinet Decisions on accelerating procedures to issue orders for public security operations and maritime security operations in cases of responding to a situation where an infringement that does not amount to an armed attack occurs in areas surrounding remote islands, etc., and police forces are not present nearby (Development of no new legislation)

Revision of the Self-Defense Forces Law (Measures to Rescue Japanese Nationals Overseas)

- Enable the units of the SDF to take measures to rescue Japanese nationals overseas whose lives or bodies could be harmed in emergency situations (Article 84-3).

Rescue measures: Guarding, rescue and other measures to protect the lives or bodies of those Japanese nationals, including transportation.

[Procedure] Order by the Minister of Defense

- Request from the Minister for Foreign Affairs
- Consultations between the Minister for Foreign Affairs and the Minister of Defense
- Approval by the Prime Minister

[Requirements for Implementation] When all of the following are met:

- (1) It is recognized that in places where rescue measures are taken, the competent authorities of the country concerned are currently maintaining public safety and order, and no act of combat is being conducted;
- (2) The country concerned consents to the SDF taking the rescue measures; and
- (3) It is anticipated that coordination and cooperation can be ensured between the units of the SDF and the competent authority of the country concerned in order to carry out the rescue measures as smoothly and safely as possible in response to expected dangers.

[Authority to Use Weapons]

- So-called "use of weapons for the defense of mandate" are permitted
- SDF personnel shall not inflict injury upon any person except in a case of self-defense or overtaking of present danger.

* It is possible to also rescue non-Japanese nationals under certain conditions.

Revision of the Self-Defense Forces Law (Use of Weapons to Protect Weapons, etc. of Units of the U.S. Forces, etc.)

- Enable uniformed SDF personnel to use weapons to protect the weapons and other equipment of the units of the U.S. Forces, armed forces of other countries and similar organizations that are, in cooperation with the SDF, currently engaged in activities that contribute to the defense of Japan (Article 95-2)

[Coverage]

- Weapons, etc. of the U.S. Forces, armed forces of other countries and similar organizations' units
 - That are, in cooperation with the SDF, currently engaged in activities that contribute to the defense of Japan (*)
- (*) Including joint exercises but excluding activities where the act of combat is currently being conducted.

[Procedures, etc.]

- When the request is made by the U.S. Forces, etc.
 - Only when the Minister of Defense deems it necessary
 - Uniformed SDF personnel provide guarding
- (*) Apart from procedures prescribed in SDF Law provisions, the National Security Council plans to deliberate on the operational approach.

[Authority to Use Weapons]

- When there are adequate grounds to recognize the need to use weapons to protect people or weapons, etc., the use of weapons is permitted to the extent judged to be reasonably necessary depending on the situation.
- Causing harm to persons is only allowed for self-defense and aversion of present danger.

Outline of the Bill for the Development of Legislation for Peace and Security (2)

Law Concerning Measures to Ensure Peace and Security of Japan in Situations that will Have an Important Influence on Japan's Peace and Security (Revision of the Law Concerning Measures to Ensure Peace and Security of Japan in Situations in Areas Surrounding Japan)

<p>Purpose</p> <p>The purpose is to ensure peace and security of Japan, strengthening cooperation with foreign countries responding to situations that will have an important influence on Japan's peace and security, with the contribution to the effective operation of the Japan-U.S. Security Treaty at its core, by conducting logistics support, etc. for the U.S. Forces, etc.</p>	
<p>Situations that will have an important influence on Japan's peace and security [(Example) Situations that could lead to a direct armed attack against Japan if left unattended] (*) Deleted "in areas surrounding Japan" from the definition</p>	
<p>Support Targets</p> <p>The following armed forces etc. responding to the situations</p> <ol style="list-style-type: none"> (1) The U.S. Forces engaged in activities contributing to the achievement of the objectives of the Japan-U.S. Security Treaty (2) Armed forces of other foreign countries engaged in activities contributing to the achievement of the objectives of the U.N. Charter (3) Other similar organizations 	<p>Avoidance of "Ittaika"</p> <ul style="list-style-type: none"> ○ SDF <u>does not conduct activities in "the scene where combat activities are actually being conducted."</u> (*) When the personnel having been lost already been found and rescue operations have commenced, search and rescue activities concerning them are allowed to continue as long as the safety of the SDF units is ensured. ○ The commanding officers etc. of the SDF units order the <u>temporary suspension of activities</u> etc. if combat operations occur or are expected to occur at the site of their activities or in the vicinity. ○ The Minister of Defense designates the area for implementing activities, and if it is deemed difficult to implement operations smoothly and safely in the whole or part of that area, must promptly change the designation of the area or order the <u>cessation</u> of the activities being implemented there.
<p>Response Measures</p> <ol style="list-style-type: none"> (1) Logistics support activities (types of goods and services provided by the Ministry of Defense and the SDF) Supply, transportation, repair and maintenance, medical activities, communications, airport and seaport services, and base services, lodging, storage, use of facilities, training services (*) Provision of weapons is not included. Provision of ammunition and refueling and maintenance of aircraft ready to take off for combat operations are now allowed. (2) Search and rescue activities (3) Ship inspection operations (those set forth in the Ship Inspection Operations Act) (4) Other measures necessary to respond to the situations 	<p>Diet Approval</p> <ul style="list-style-type: none"> ○ Prior Diet approval, in principle ○ Ex-post facto approval allowed in emergency (*) The same as the Law Concerning Measures to Ensure Peace and Security of Japan in Situations in Areas Surrounding Japan
<p>* Implementation of operations in foreign territories is allowed (only when the foreign country consents) (Not allowed before the revision)</p> <p>* The authority to use weapons limited only to the self-preservation type</p>	

Revision of the International Peace Cooperation Act

<p>United Nations Peacekeeping Operations (Addition)</p> <ul style="list-style-type: none"> ○ Five Principles for Participation (underlined portions added) (1) Agreement on a ceasefire shall have been reached among the parties to armed conflicts. (2) Consent for the undertaking of U.N. peacekeeping operations as well as Japan's participation in such operations shall have been obtained from the host countries as well as the parties to armed conflicts. (3) The operations shall strictly maintain impartiality, not favoring any of the parties to armed conflicts. (4) Should any of the requirements in the above-mentioned guideline cease to be satisfied, the Government of Japan may terminate the dispatch of the personnel engaged in International Peace Cooperation Assignments. (5) The use of weapons shall be limited to the minimum necessary for the protection of the lives of the personnel dispatched, in principle. <u>When the consent of acceptance is deemed to be consistently maintained, the use of weapons for the defense of mandate missions is allowed.</u> 	<p>Internationally coordinated operations for peace and security (Not under the control of the U.N.)</p> <ul style="list-style-type: none"> ○ Requirement: When any of the following is met, <u>in addition to the satisfaction of the Five Principles for Participation</u> (1) Based on resolutions adopted by the General Assembly, the Security Council or the Economic and Social Council of the United Nations (2) At the request by: <ul style="list-style-type: none"> • The United Nations • Organizations established by the U.N. Generally Assembly or U.N. specialized agencies, such as the Office of the U.N. High Commissioner for Refugees or otherwise specified by a Cabinet Order • Regional organizations as prescribed in Article 52 of the U.N. Charter or organizations established by multilateral treaties, having the actual achievements or expertise pertaining to the activities of Internationally coordinated operation for peace and security such as the European Union or otherwise specified by a Cabinet Order (3) At the requests of countries to which the area where those operations are to be conducted belongs (limited to only those supported by any of principal U.N. organizations as prescribed in Article 7 (1) of the U.N. Charter
<ul style="list-style-type: none"> ○ Addition of Tasks Security of specified areas including protection of local population, etc., protection of individuals related to operations in response to urgent request and tasks at Mission Headquarters have been added, in addition to ceasefire monitoring and relief activities for afflicted people; tasks assisting in the establishment and reestablishment of systems of governance have been expanded. ○ Review of the authority to use weapons In implementing protection of local population, etc. as well as security of specified areas and protection of individuals related to operations in response to their urgent request, the use of weapons for the defense of mandate is allowed. ○ Diet approval Prior Diet approval is necessary for ceasefire monitoring and security of specified areas including protection of local population, etc. conducted by SDF units, in principle (Ex-post facto approval permitted when the Diet is in recess or the House of Representatives has been dissolved). ○ Ensuring the safety of personnel of the International Cooperation Corps of Japan Provide for the development of operational guidelines that set forth provisions for the consideration of safety, the cessation of operations, the temporary suspension of operations to avoid danger and other measures for ensuring the safety of the personnel of the International Peace Cooperation Corps 	
<ul style="list-style-type: none"> ○ Other revised matters (1) Dispatching of uniformed SDF personnel (commanding officers, etc.) to the United Nations (2) Waiver of right to claim (3) Provision of supplies or services to the U.S. Forces, etc. for their operation to cope with large-scale disasters (4) Expansion of the scope for cooperation with international election observation operations 	

- In order to ensure the peace and independence of Japan and the security of Japan and its people, develop the readiness to respond to armed attack situations, etc. by setting such basic matters as basic principles, the responsibilities of national and local governments, and procedures.
- [Reference] Armed attack situations, etc.
- Armed attack situation.....A situation where an armed attack occurred, or an imminent danger of an armed attack occurring is clearly acknowledged
 - Anticipated armed attack situation....A situation where an armed attack has yet to occur, but circumstances are growing increasingly strained and an armed attack is anticipated
 - Armed attack situations, etc.....Armed attack situation and anticipated armed attack situation

[Outline of the Revision]

- Responses to "situations of an armed attack against a foreign country resulting in threatening Japan's survival" added

(Purpose) * "Situations of an armed attack against a foreign country resulting in threatening Japan's survival" added

- Develop the readiness to respond to armed attack situations, etc. and survival-threatening situations by setting basic principles, the responsibilities of national and local governments, the cooperation of Japanese people and other basic matters concerning responses to armed attack situations, etc. and survival-threatening situations, and also set matters related to the development of legislation necessary to respond to armed attack situations, etc. to contribute to the ensuring of the peace and independence of Japan and the security of Japan and its people.

← *deleted

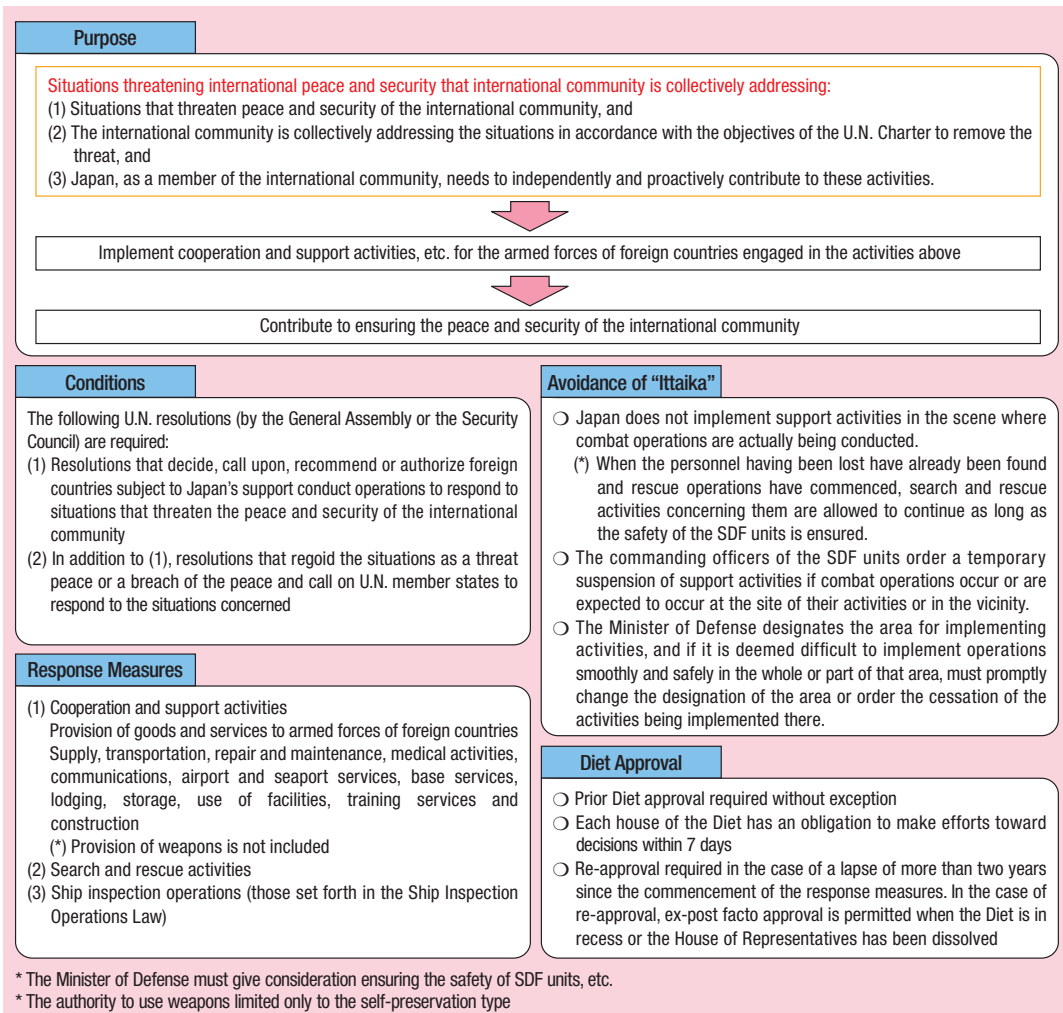
(Basic Response Plan) *When an armed attack situation or a situation of an armed attack against a foreign country resulting in threatening Japan's survival is recognized, reasons why the use of force is necessary should also be described.

- The Basic Response Plan should describe matters concerning the following:
 - Developments in the situation, the confirmation of the situation as an armed attack situation, an anticipated armed attack situation or a survival-threatening situation, and the facts that serve as the premises supporting the confirmation.
 - When the situation is confirmed as an armed attack situation or a survival-threatening situation, reasons why there is no other appropriate means available to ensure Japan's survival and protect its people, and use of force is necessary to respond to the situation
 - An overall plan to respond to pertinent armed attack situations or survival-threatening situations, and important matters related to the response measures

- [Diet Approval]
- When an order is given to the SDF for defense operations to respond to a "survival-threatening situation," prior Diet approval is required under current provisions (Article 9 of the Armed Attack Situation Response Act).

Outline of the International Peace Support Bill

International Peace Support Law



Outline of the National Security Strategy

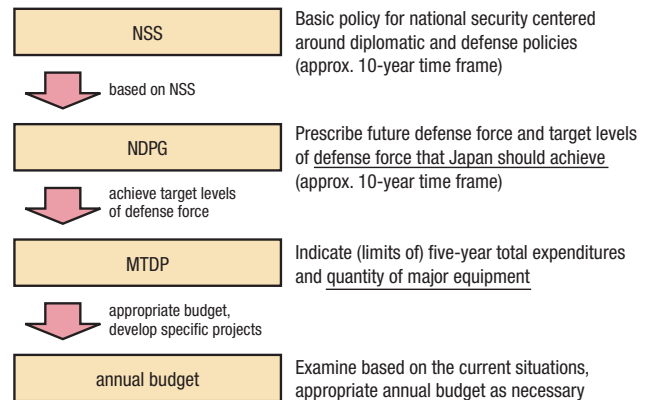
- The National Security Strategy (NSS) clearly defines the following as Japan's national interests and national security objectives to achieve its fundamental principle of continuing the path it has followed as a peace-loving nation, and proactive contribution to peace based on the principle of international cooperation: maintaining sovereignty and independence; defending territorial integrity; ensuring the lives, property and safety of citizens; economic development; and maintaining and protecting the international order based on rules and universal values.
- The NSS clearly defines the security environment surrounding Japan and national security challenges on a global level as well as in the Asia-Pacific region.
- The NSS specifies the strategic approach centering on diplomatic policy and defense policy that Japan should implement, such as the establishment of a comprehensive defense architecture to protect Japan.
- Based on the NSS, the National Defense Program Guidelines (NDPG) specify basic policies for Japan's future defense, the role of its defense capabilities, and objectives for specific SDF equipment.

Outline of the National Defense Program Guidelines

- Based on the NSS, the basic policy consists of the following: (1) Japan's own efforts; (2) strengthening of the Japan-U.S. Alliance; and (3) active promotion of security cooperation.
- The NDPG states that Japan will build up a Dynamic Joint Defense Force by conducting capability assessments based on joint operations to enhance deterrence and response capabilities by pursuing further joint operations, improving the operational standards of defense equipment, and further increasing defense activities, as well as ensuring the necessary and sufficient quality and quantity of defense capabilities underpinning various activities.
- As an effective means of deterrence and response to various situations, Japan will achieve intelligence superiority through persistent intelligence, surveillance, and reconnaissance (ISR) activities over an extensive area around Japan. In addition, Japan will ensure a posture that emphasizes the following points: (1) ensuring the security of the sea and airspace surrounding Japan; (2) response to an attack on remote islands; (3) response to ballistic missile attacks; (4) responses in outer space and cyberspace; and (5) responses to major disasters.
- As part of Japan's efforts towards the stabilization of the Asia-Pacific region and improvement of the global security environment, Japan will conduct persistent ISR in the area surrounding Japan, and implement activities such as training and exercises in a timely and appropriate manner. Moreover, Japan will promote multi-tiered initiatives, including bilateral and multilateral defense cooperation and exchange, joint training and exercises, and capacity building assistance. Japan will actively promote international peace cooperation activities, anti-piracy measures, and capacity building assistance, among other activities.
- To ensure that the defense force can function as effectively as possible, Japan will strengthen the foundations underpinning the defense force.

The Medium Term Defense Program (MTDP) specifies a maximum budget and the amount of mainstay defense equipment to be acquired over the subsequent five-year period in order to achieve the defense capability targets defined in the NDPG.

Relations among NSS, NDPG, MTDP and Annual Budget



National Defense Program Guidelines Annex Table

Category		Present (as of the end of FY2013)	Future
GSDF	Authorized Number of personnel	approx. 159,000	159,000
	Active-Duty Personnel	approx. 151,000	151,000
	Reserve-Ready Personnel	8,000	8,000
	Major units	Central Readiness Force 1 armored division	3 rapid deployment divisions 4 rapid deployment brigades 1 armored division 1 airborne brigade 1 amphibious rapid deployment brigade 1 helicopter brigade
MSDF	Major units	8 divisions 6 brigades	5 divisions 2 brigades
	Major units	5 surface-to-ship guided missile regiments	5 surface-to-ship guided missile regiments
	Major units	8 anti-aircraft artillery groups/regiments	7 anti-aircraft artillery groups/regiments
	Major equipment	4 flotillas (8 divisions) 5 divisions 5 divisions 1 flotilla 9 squadrons	4 flotillas (8 divisions) 6 divisions 6 divisions 1 flotilla 9 squadrons
ASDF	Major units	47 (6)	54 (8)
	Major units	16 approx.170	22 approx.170
	Major units	8 warning groups 20 warning squadrons 1 AEW group (2 squadrons) 12 squadrons 1 squadron	28 warning squadrons 1 AEW group (3 squadrons) 13 squadrons —
	Major equipment	1 squadron 3 squadrons 6 groups	2 squadrons 3 squadrons 6 groups
Major equipment	Combat aircraft Fighters	approx. 340 approx. 260	approx. 360 approx. 280

- Notes: 1. The current number of tanks and howitzers/rockets (authorized number as of the end of FY2013) are respectively approx. 700 and approx. 600, which will be reduced respectively to approx. 300 and approx. 300 in the future.
2. Regarding major equipment/units that may also serve for BMD missions, their acquisition/formation will be allowed within the number of Destroyers (Aegis-Equipped Destroyers), Air Warning & Control Units and Surface-to-Air Guided Missile Units specified above.

Outline of the Medium Term Defense Program

- The Medium Term Defense Program (MTDP) stipulates the following points: reorganization of the Major SDF Units; major programs regarding the SDF's capabilities; measures for the strengthening of the Japan-U.S. Alliance; quantities of major procurement; and expenditures.
- Reorganization of the Major SDF Units
 - Ground Self-Defense Force (GSDF): establishing the Ground Central Command; transforming two divisions and two brigades into two rapid deployment divisions and two rapid deployment brigades; establishing a coast observation unit and area security units; and establishing an amphibious rapid deployment brigade.
 - Maritime Self-Defense Force (MSDF): retaining four escort flotillas mainly consisting of one helicopter destroyer (DDH) and two Aegis-equipped destroyers (DDG), and five escort divisions consisting of other destroyers; increasing the number of submarines.
 - Air Self-Defense Force (ASDF): relocating one fighter squadron to Naha Air Base; newly organizing one airborne early warning squadron; integrating ASDF units equipped with training support functions.

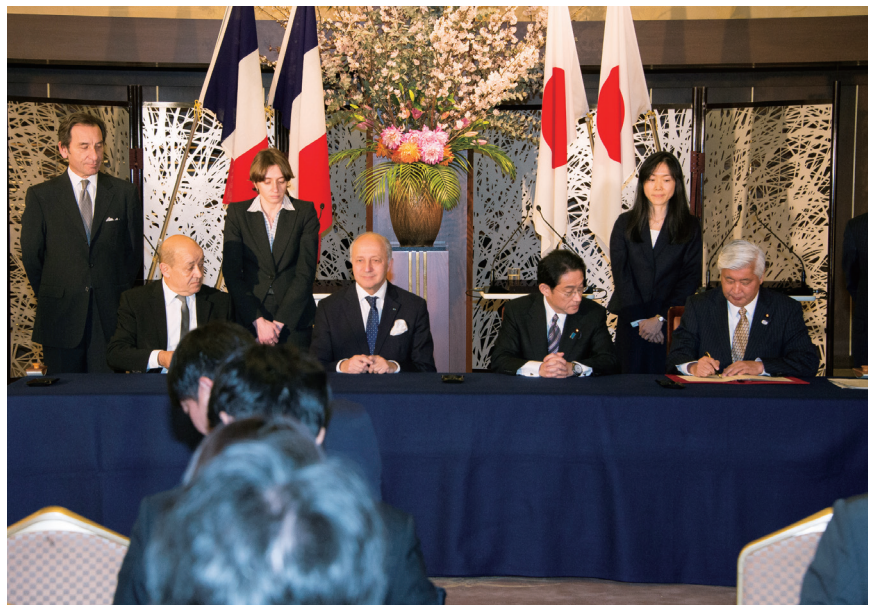
Annex Table from the Medium Term Defense Program

Service	Equipment	Quantity
GSDF	Mobile Combat Vehicles	99
	Armored Vehicles	24
	Amphibious Vehicles	52
	Tilt-Rotor Aircraft	17
	Transport Helicopters (CH-47JA)	6
	Surface-to-Ship Guided Missiles	9 companies
	Mid-Range Surface-to-Air Guided Missiles	5 companies
	Tanks	44
	Howitzers (excluding mortars)	31
MSDF	Destroyers (Aegis-Equipped Destroyers)	5 (2)
	Submarines	5
	Other Ships	5
	Total (Tonnage)	15 (approx. 52,000 t)
	Fixed-Wing Patrol Aircraft (P-1)	23
	Patrol Helicopters (SH-60K)	23
	Multipurpose Helicopters (Ship-Based)	9
ASDF	New Airborne Early Warning (Control) Aircraft	4
	Fighters (F-35A)	28
	Fighter Modernization (F-15)	26
	New Aerial Refueling/Transport Aircraft	3
	Transport Aircraft (C-2)	10
	Upgrade of PATRIOT Surface-to-Air Guided Missiles (PAC-3 MSE)	2 groups & education
Joint units	Unmanned Aerial Vehicles	3

Note: Acquisition of ship-based unmanned aerial vehicles will be allowed within the number of Patrol Helicopters (SH-60K) specified above.

Three Principles on Transfer of Defense Equipment and Technology

- (1) Clarification of cases where transfers are prohibited; (2) limitation to cases where transfers may be permitted as well as strict examination and information disclosure; and (3) ensuring appropriate control regarding extra-purpose use or transfer to third parties.
- The Three Principles on Transfer of Defense Equipment and Technology clarify the concrete standards, procedures and limitation better than ever and state them clearly and transparently both internally and externally.
- Japan will actively cooperate with the United States and other countries in the area of defense equipment and technologies, and more proactively advance the required measures.



Four ministers signing the Agreement between the Government of Japan and the Government of France concerning the Transfer of Defence Equipment and Technology

Japan-U.S. Security Arrangements

- Based on the Japan–U.S. Security Treaty, the Japan-U.S. Security Arrangements, together with Japan’s own efforts, constitute the cornerstone for Japan’s security.
- The Japan-U.S. Alliance centered on bilateral security arrangements functions as public goods that contribute to the stability and prosperity, not only of Japan but also of the Asia-Pacific region and

Outline of the New Guidelines

Defense Cooperation and the Aim of the Guidelines

- The new Guidelines specify the matters to be emphasized in security and defense cooperation. The objectives of the new Guidelines are retained in line with those of the 1997 Guidelines.

Strengthened Alliance Coordination

- The two governments will establish a standing Alliance Coordination Mechanism, and develop and update bilateral plans.

Seamlessly Ensuring Japan’s Peace and Security

- This section presents the direction to achieve seamless cooperation, from peacetime to contingencies, in order to ensure Japan’s peace and security, the core of the Guidelines.
 - (A) Cooperative Measures from Peacetime
This section specifies ways of cooperation from peacetime to strengthen the deterrence and response capabilities of the Japan-U.S. Alliance.
 - (B) Responses to Emerging Threats to Japan’s Peace and Security
This section describes measures to respond to emerging threats to Japan’s peace and security.
 - (C) Actions in Response to an Armed Attack against Japan
The new Guidelines maintain the basic idea on roles of Japan and U.S. in of responses to an armed attack against Japan described in the 1997 Guidelines while enhancing the content in view of the expansion and diversification of defense cooperation between Japan and the United States.

Initiatives to Build the Foundation for Strengthening the Alliance

- “2+2” Meeting (April 27, 2015)
 - (1) The Ministers announced the approval of “the new Guidelines,” which update the general framework and policy direction for the roles and missions of the two countries, and manifest a strategic vision for a more robust Alliance and greater shared responsibilities by modernizing the Alliance and enhancing its deterrence and response capabilities in all phases, from peace time to contingencies.
 - (2) Both Ministers noted with satisfaction the ongoing progress to strengthen the Alliance’s deterrence and response capabilities.
 - (3) The Ministers highlighted the recent progress in regional and international cooperation.
 - (4) The Ministers underscored their commitment to maintaining a robust and flexible force posture that enhances deterrence by strengthening the capability to respond effectively to future

the world at large.

- As the security environment surrounding Japan becomes increasingly severe, and the United States, at the same time, maintains and strengthens its engagement and presence in the Asia-Pacific region, it has become more important than ever to strengthen the Japan-U.S. Alliance for the security of Japan.

(D) Actions in Response to an Armed Attack against a Country other than Japan

Newly incorporated in the new Guidelines

(E) Cooperation in Response to a Large-scale Disaster in Japan

In light of the experience of the Great East Japan Earthquake, the new Guidelines added this section.

Cooperation for Regional and Global Peace and Security

- The new Guidelines stipulate specific ways of bilateral cooperation for regional and global peace and security, based on experiences from previous activities in this area.

Space and Cyberspace Cooperation

- The new Guidelines added bilateral cooperation in new strategic domains, such as space and cyberspace.

Bilateral Enterprise

- The new Guidelines added the following areas as a foundation for defense cooperation to further improve the effectiveness of bilateral cooperation:

- A. Defense Equipment and Technology Cooperation
- B. Intelligence Cooperation and Information Security
- C. Educational and Research Exchanges

Processes for Review

- The new Guidelines added regular evaluation while maintaining the approach of the 1997 Guidelines.



Prime Minister Abe and U.S. President Obama at the Japan-U.S. Summit in Washington in April 2015 (Cabinet Public Relations Office)

challenges and threats, while also mitigating the impact of the U.S. Forces on local communities.

Japan-U.S. Defense Ministers' Meeting (May 30, 2015)

- The Ministers agreed to oppose any attempts to change the status quo by force in the East China Sea and the South China Sea. They also confirmed that Japan's legislation for peace and security will help ensure the effectiveness of the new Guidelines for Japan-U.S. Defense Cooperation and welcomed that the discussion at the Cyber Defense Policy Working Group (CDPWG) thus far was put together. Furthermore, the Ministers reaffirmed cooperation to mitigate the impact of the U.S. Forces on Okinawa, and U.S. Secretary of Defense Carter stated that the United States would provide Japan with necessary information on the accident involving an Osprey transport aircraft in Hawaii and reiterated efforts to thoroughly ensure the safe operation of the Osprey.

Direction of Strengthening the Alliance

- Japan and the United States will build the posture for seamless cooperation, including peacetime and various other situations, including cooperation in gray zone situations, while enhancing the Japanese and U.S. presence in the Western Pacific. Japan and the United States will continue to promote joint training and exercises, and the expansion of joint intelligence, surveillance, and reconnaissance (ISR) activities, as well as the expansion of joint/shared use of Japanese and U.S. facilities and areas that serve as the bases for these activities.

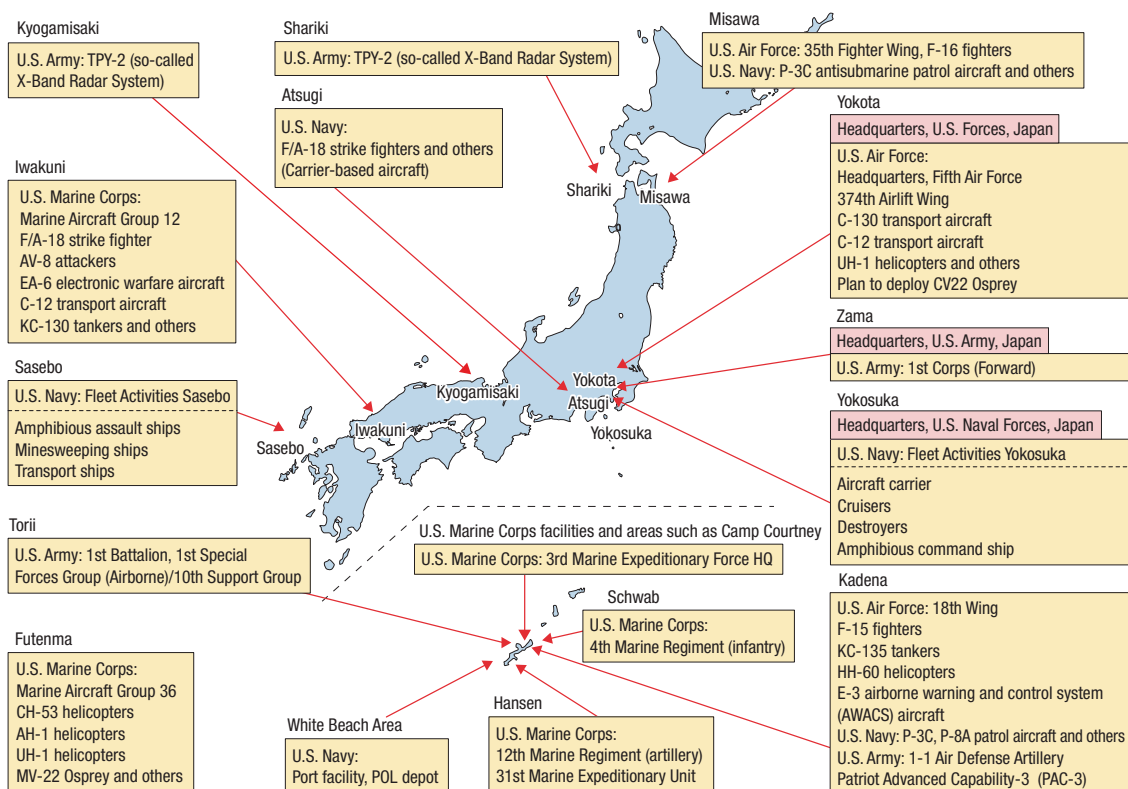


The Japanese and U.S. Defense and Foreign Ministers at the Japan-U.S. Security Consultative Committee (2+2) in New York in April 2015



Minister of Defense Nakatani and U.S. Secretary of Defense Carter at the Japan-U.S. Defense Ministers' Meeting held in Singapore on the occasion of the 14th IISS Shangri-La Dialogue (May 2015)

Deployment Map of the U.S. Forces in Japan



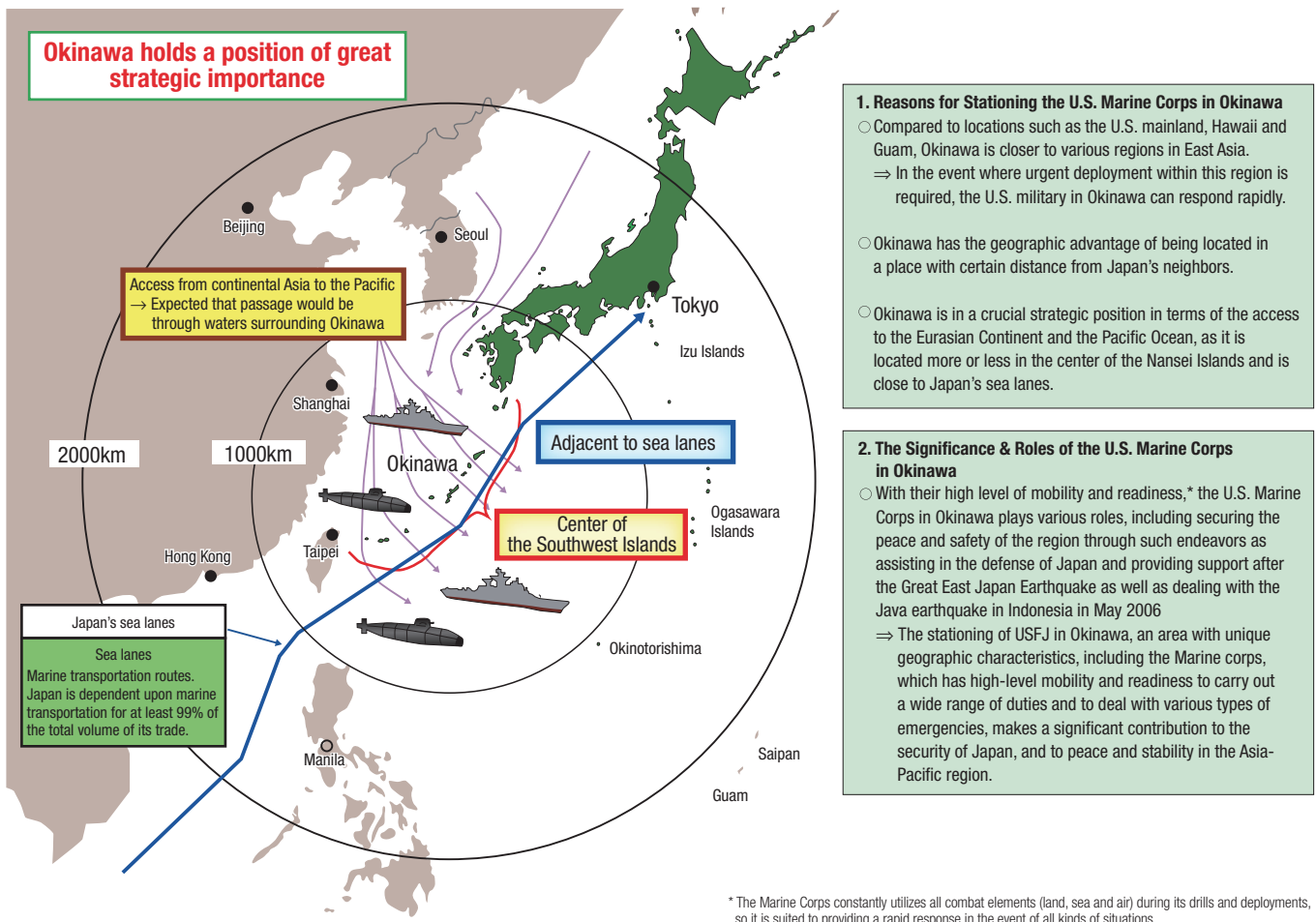
Stationing of the U.S. Forces

- The United States is proceeding with the force posture realignment of the U.S. Forces in Japan in order to mitigate the impact on local communities, such as those in Okinawa, while maintaining the deterrence capabilities of the U.S. Forces. In Okinawa, the United States is taking such measures as the relocation of MCAS Futenma, the transfer of Marines in Okinawa to Guam and the return of land south of Kadena.
- The Government of Japan believes that it is imperative not to allow MCAS Futenma to remain indefinitely at its current location, which is in the vicinity of houses and schools in the center of Ginowan City, Okinawa Prefecture. This is believed to be a fundamental idea shared between the Government of Japan and the people of Okinawa. As for the relocation of MCAS Futenma, the Government of Japan has not changed its stance that the current plan to construct the Futenma Replacement facility in the Camp-Schwab Henokosaki area and adjacent waters is the only solution to avoid the continued use of

MCAS Futenma. Japan plans to make further efforts to achieve the relocation and return of MCAS Futenma as early as possible and to mitigate the burden on Okinawa in a timely manner.

- The relocation of MCAS Futenma holds more significance than merely moving the facility from one location to another. Rather, it also contributes greatly to mitigating the impact on Okinawa. As such, the government will work as one to implement this initiative.
- Regarding the Futenma Replacement Facility construction project, in addition to complying with the relevant laws and regulations, including completing the environmental impact assessment and the application for approval of the reclamation of publicly-owned waters, the Government of Japan has devoted ample time to completing all necessary procedures, including soliciting the opinions of the people of Okinawa Prefecture. On that basis, the Government of Japan commenced offshore boring survey work on August 14, 2014.

The Geopolitical Positioning of Okinawa and the Significance of the U.S. Marine Corps Stationed in Okinawa



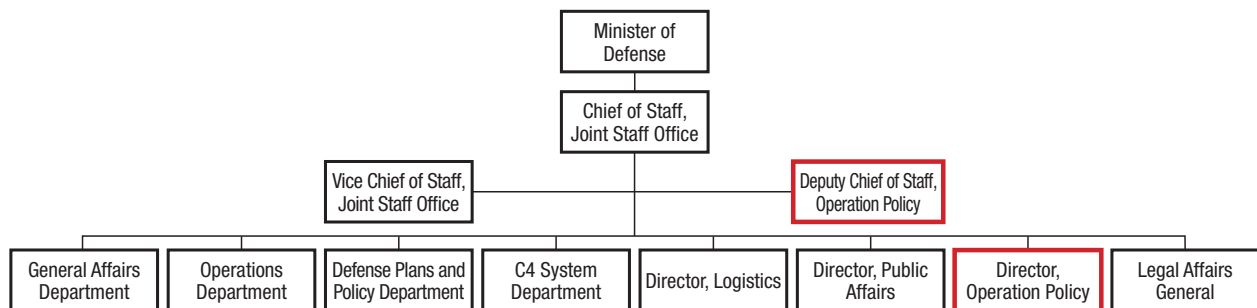
Specific Ministry of Defense Reform Initiatives

- Conduct the following reorganization based on the “Direction of the Ministry of Defense Reform” (August 2013) for the purpose of overall optimization of defense capability, strengthening of functions for integrated operations, policy planning, etc. in continuation from FY2014.
- Strengthening integrated operational functions
 - <Unification of work relating to actual operations into the Joint Staff Office>
 - Unify work relating to actual operations of the SDF into the Joint Staff
 - Discontinue the Operational Policy Bureau, and newly establish the Director General for Operational Policy (Deputy Chief of Joint Staff-level) and the Director for Operation Policy (department director general / division director-level) for civilian officials to conduct coordination with related ministries and agencies, and external communication.
- Reorganization of the Internal Bureau
 - <Strengthen the policy planning function and defense capability build-up function>
 - Transfer functions such as the planning and drafting of laws and

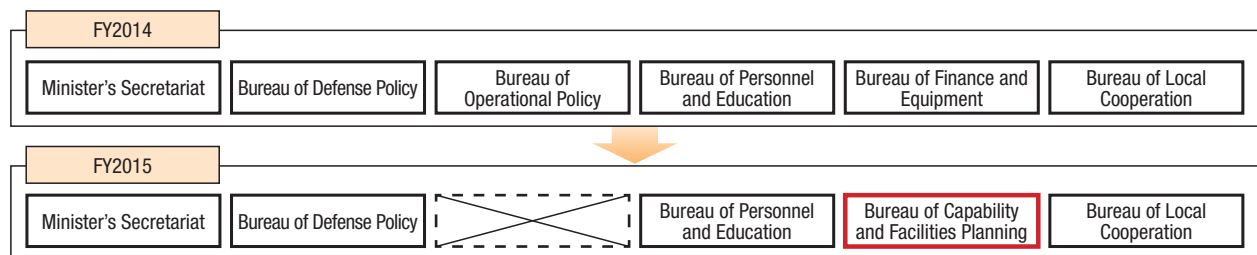
regulations relating to operations and the training of units to the Bureau of Defense Policy.

- Newly establish the Strategic Planning Division in the Bureau of Defense Policy in order to strengthen the policy planning function.
- Newly establish the Bureau of Build-up Planning in order to strengthen the defense capability build-up function.
- The new establishment of the Acquisition, Technology and Logistics Agency
 - <Establish a new extra-ministerial organization that brings together and consolidates departments in MOD related to the procurement of equipment (namely the Internal Bureau, the respective Staff Offices, the Technical Research and Development Institute, and the Equipment Procurement and Construction Office)>
 - <Main functions of the Acquisition, Technology and Logistics Agency> Project management function, international equipment and technology cooperation, weapons technology control function, research and development function and equipment acquisition function

Vision of the organization of the new Joint Staff Office



Vision of the organization after the reorganization of the Internal Bureau



Vision of the organization of the Acquisition, Technology and Logistics Agency

