

(Japanese Note)

(Translation)

Tokyo, January 21, 2011

Excellency,

I have the honor to refer to the Agreement between Japan and the United States of America concerning New Special Measures relating to Article XXIV of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between Japan and the United States of America, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today (hereinafter referred to as "the Agreement"). I have further the honor to inform Your Excellency of the following:

1.a. In implementing the provisions of Article V of the Agreement, the Government of Japan takes the policy to calculate the amount of the initial draft budget request for each Japanese fiscal year for those expenditures, which Japan is to bear in accordance with the provisions of Article I of the Agreement, on the basis of the average of the annual average number of workers during the three consecutive fiscal years preceding the fiscal year prior to the relevant Japanese fiscal year, not to exceed the number of workers of the respective Japanese fiscal year provided for in subparagraphs i. through v. (hereinafter referred to as "the Upper Limit of the Number of Workers").

- i. Japanese fiscal year 2011: 23,055
- ii. Japanese fiscal year 2012: 23,055
- iii. Japanese fiscal year 2013: 22,947
- iv. Japanese fiscal year 2014: 22,840
- v. Japanese fiscal year 2015: 22,625

His Excellency
Mr. John V. Roos
Ambassador Extraordinary
and Plenipotentiary
of the United States of America

- b. In case substantial change is predicted in the annual average number of workers in a certain fiscal year as compared to the average of the annual average number of workers during the three consecutive fiscal years preceding the fiscal year prior to the said certain fiscal year, the possibility of modifying the annual average number of workers in the calculation of the amount of the initial draft budget request for the said certain fiscal year, so far as the annual average number of workers in the said certain fiscal year does not exceed the Upper Limit of the Number of Workers, is not to be excluded.
- 2.a. In implementing the provisions of Article V of the Agreement, the Government of Japan takes the policy to calculate the amount of the initial draft budget request for each Japanese fiscal year for those expenditures, which Japan is to bear in accordance with the provisions of Article II of the Agreement, by multiplying the average of all of the expenditures during the three consecutive fiscal years preceding the fiscal year prior to the relevant fiscal year in paying costs stipulated in Article II of the Agreement, by the percentage in the respective Japanese fiscal year provided for in subparagraphs i. through v. The amount of those expenditures, which Japan is to bear in accordance with the provisions of the Article II of the Agreement, is not to exceed twenty-four billion, nine hundred and one million, nine hundred and eight thousand yen (¥24,901,908,000) (hereinafter referred to as "the Upper Limit of the Expenditure").
 - i. Japanese fiscal year 2011: 76 percent
 - ii. Japanese fiscal year 2012: 75 percent
 - iii. Japanese fiscal year 2013: 74 percent
 - iv. Japanese fiscal year 2014: 73 percent
 - v. Japanese fiscal year 2015: 72 percent
- b. In case long-term substantial change is predicted in the amount of the initial draft budget request from a certain fiscal year, the possibility of modifying the amount of the initial draft budget request for the said certain fiscal year, so far as the amount of the initial draft budget request for the said certain fiscal year does not exceed the Upper Limit of the Expenditure, is not to be excluded, subject to consultation between the two Governments under the provision of Article VI of the Agreement.

- c. With regard to the amount of the initial draft budget request for each Japanese fiscal year mentioned in paragraph 2.a. above, the Government of Japan takes the policy not to include in the said amount of the initial draft budget request, the costs for the residential housing of the members of the United States armed forces, civilian component, and their dependents outside facilities and areas.
 - d. In order to be always informed of the contracts to procure electricity, gas, water supply and sewerage, and fuels stipulated in Article II of the Agreement, the Government of Japan wishes that the Government of the United States of America inform the former of the contents of the existing contracts and notify the former in advance of the contents of the revision or rescission of such contracts or the conclusion of new contracts, and intends to request consultations as necessary.
3. In implementing the provisions of Article V of the Agreement, the Government of Japan takes the policy to calculate the amount of the initial draft budget request for each Japanese fiscal year for those expenditures, which Japan is to bear in accordance with the provisions of Article III of the Agreement, taking into account the estimate of the relevant costs submitted by the Government of the United States of America.
4. It is confirmed that, in order to ensure the proper execution of this bearing of expenditures, the two Governments may consult under the provisions of Article VI of the Agreement.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Seiji Maehara
Minister for Foreign Affairs
of Japan

(U.S. Note)

Tokyo, January 21, 2011

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of today's date concerning the Agreement between the United States of America and Japan concerning New Special Measures relating to Article XXIV of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today (hereinafter referred to as "the Agreement"). I have further the honor to inform Your Excellency of the following:

1. The Government of the United States of America has no objection to the policies of the Government of Japan expressed in paragraphs 1.a., and b., 2.a., b., and c., and 3. of Your Excellency's note.
2. In order for the Government of Japan to be always informed of the contracts to procure electricity, gas, water supply and sewerage, and fuels stipulated in Article II of the Agreement, the Government of the United States of America intends to inform the former of the contents of the existing contracts and to notify the former in advance of the contents of the revision or rescission of such contracts or the conclusion of new contracts, as well as to hold consultations upon request from the Government of Japan.
3. It is confirmed that, in order to ensure the proper execution of this bearing of expenditures, the two Governments may consult under Article VI of the Agreement.

His Excellency
Mr. Seiji Maehara
Minister for Foreign Affairs
of Japan

Accept, Excellency, the renewed assurances of my
highest consideration.

John V. Roos
Ambassador Extraordinary
and Plenipotentiary
of the United States of America