

# Political Rebalance in Tokyo and U.S.-Japan Relations

December 2, 2024

The U.S.-Japan alliance has been a [centerpiece](#) of the [United States’ strategy](#) toward the Indo-Pacific region, as the two countries have grown increasingly aligned in responding to the People’s Republic of China’s (PRC’s or China’s) rising military and economic assertiveness. Upgraded U.S.-Japan cooperation has coincided with the Liberal Democratic Party (LDP)-led coalition’s majority in Japan’s parliament (known as the Diet) [since 2012](#). This political era may have come to an end: in October elections for the Diet’s Lower House, the LDP and its coalition partner, the Komeito Party, lost their majority for the first time [since 2009](#), thrusting Japanese politics into a period of uncertainty. The loss came amid [voter dissatisfaction](#) over rising inflation and a fundraising scandal involving the LDP Prime Minister Shigeru Ishiba, who became Japan’s premier [on October 1](#). The LDP now leads a minority government. It may have to forge compromises with the opposition parties to pass legislation on a range of issues, including the budget and issues of importance to the United States, such as defense spending. More broadly, the election results may have placed Ishiba in a [tenuous political position](#), adding new uncertainties to the U.S.-Japan relationship.

## Implications for U.S.-Japan Relations

Congressional oversight of U.S.-Japan relations generally has focused on [alliance cooperation](#)—particularly how both countries coordinate their China strategies—as well as [trilateral cooperation with South Korea](#) and [cooperation with other allies and partners](#). Trade and economic issues also have historically drawn Members’ attention. For more than a decade, the U.S. government [supported](#) the Japanese government’s efforts to invest more in its defense and reinforce deterrence. Although the LDP’s loss is unlikely to significantly alter Japan’s overall national security policy in the short term, its new minority government status may impede its ability to implement ambitious defense plans. For example, the LDP’s plans, introduced in 2022 by Ishida’s predecessor Fumio Kishida, to increase defense spending to 2% of GDP by 2027 could face [delays](#) as the LDP and opposition parties debate how to pay for it. Before 2022, Japan generally limited defense spending to [1% of its GDP](#). While campaigning, [Ishiba proposed](#) that Japan adjust its role within the U.S.-Japan alliance to become what he calls an “[equal nation](#),” including by revising the U.S.-Japan Status of Forces Agreement (SOFA) and allowing Japanese

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military forces to train in the United States and be stationed in Guam. It is unclear how Ishiba would implement these goals as a minority premier.

Some observers have [questioned](#) Ishiba's political effectiveness and, consequently, his probable longevity as prime minister. If Japan frequently changes leaders—as was the case from 2006 to 2012, when Japan had [seven](#) prime ministers—U.S.-Japan alliance coordination could become more difficult.

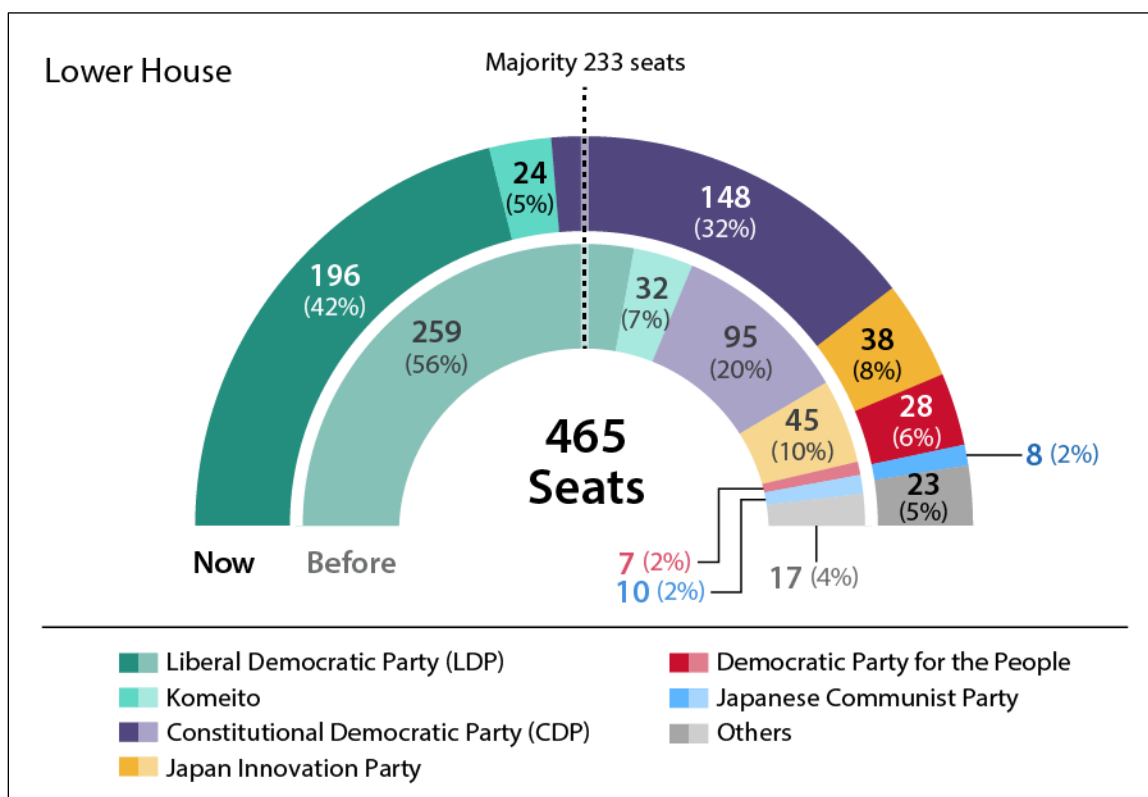
Internationally, Japan's reliability as a partner could be viewed [with greater uncertainty](#), following a decade of [increasing](#) Japanese activism in [trilateral](#) and [multilateral](#) initiatives that generally have won support from Members of Congress and other U.S. policymakers.

## Japan's New Parliamentary Landscape

In the October 2024 Lower House elections, the LDP and Komeito lost over 70 seats, or around one-quarter of their previous total, putting them 13 seats below the 233 needed for a majority (**Figure 1**). The main opposition party—the Constitutional Democratic Party of Japan (CDP)—gained 53 seats, increasing its total to 148. The centrist Democratic Party for the People's (DPP's) seats grew from 7 to 28.

This election marked the [first time in 15 years](#) that the LDP lost its parliamentary majority. The LDP held power for [nearly all of the post-World War II period](#). For now, the opposition DPP appears [most willing to cooperate](#) with the LDP, but on a [case-by-case basis](#).

**Figure 1. Party Strength in Japan's Lower House**  
Before and After October 2024 Elections



**Source:** Japanese Lower House of Parliament, accessed November 14, 2024.

## The Road Ahead

Ishiba and the LDP's first major test may be negotiating with opposition parties over a fiscal year (FY) 2025 budget around the new year, particularly defense-related expenditures (Japan's FY2025 starts on April 1, 2025). In light of perceived threats from China and North Korea, Ishiba's predecessor Kishida committed to increase Japan's total defense spending to [¥43.5 trillion \(roughly \\$283 billion\) over five years \(FY2023-FY2027\); 56% higher](#) than total defense spending under the [previous five-year plan](#). Much of the new spending is intended to go toward developing a "counterstrike" capability, which would allow Japan to conduct missile strikes against targets in adversary territory under certain conditions. Japan is [procuring](#) the U.S. Tomahawk Weapon System for an estimated \$2.35 billion via the U.S. Foreign Military Sales (FMS) program to help fulfill this goal.

Although most political parties in Japan support stronger defense, they disagree over how to achieve it. The CDP, DPP, and JIP generally [do not support](#) tax hikes to pay for higher defense spending. The CDP [now chairs](#) the Lower House Budget Committee and has vowed to scrutinize the current five-year defense spending plan.

Ishiba himself faces uncertain prospects as Japan's premier. On November 11, the Lower House elected him prime minister [in a runoff](#) after he failed to win a majority in the first round of voting, underscoring his political fragility. Ishiba is expected to remain Japan's leader for the short term, perhaps [at least through Japan's Upper House elections in July 2025](#), though he is vulnerable to no-confidence motions by the opposition and to challenges from within the LDP. The LDP-Komeito coalition [currently controls](#) the Upper House, but losing its majority there could intensify legislative gridlock and further erode confidence in Ishiba's leadership.

Another area for Congress to watch, including during the Senate's consideration of presidential nominations, will be Ishiba's relationship with President-elect Donald Trump. Ishiba said he and Trump aim to meet ["at as early a time as possible,"](#) with Ishiba's sights reportedly set on [February 2025](#). Some observers have questioned [whether and to what extent](#) Ishiba can replicate former Prime Minister Abe's success in fostering strong personal relations with Trump; some analysts say that rapport contributed to strong U.S.-Japan alliance relations under Trump and Abe.

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