



U.S.-Japan Relations

Overview

Japan, a U.S. treaty ally since 1952, is an important U.S. partner in security, trade, and other areas. Shared bilateral goals include meeting the challenge of an assertive People's Republic of China (PRC, or China) and countering threats from North Korea. The U.S.-Japan mutual defense treaty grants the United States the right to base U.S. troops—currently around 60,000—and military assets on Japan's territory in return for U.S. security guarantees. Japan is the sixth-largest U.S. trade partner and the top source of foreign direct investment into the United States. Its investors are the largest foreign holders of U.S. Treasury securities. The two countries also collaborate on science and technology, global health, and energy. Congressional oversight of U.S.-Japan relations has focused on alliance cooperation, particularly on how Japan and the United States coordinate their China strategies, and more recently on the impact of tariff actions.

The second Trump Administration has taken steps indicating it prioritizes certain elements of the U.S.-Japan partnership, particularly the military alliance. The Administration has continued to pursue most Biden-era alliance upgrades and has encouraged Japan's moves to increase defense spending and enhance its military capabilities. President Donald Trump has held two summits with Japanese prime ministers and has said he will host current premier Sanae Takaichi on March 19, 2026.

Other moves by the Administration have raised concerns among some observers about the U.S. commitment to Japan and have eroded Japanese policymakers' sense of security. Trump's imposition of tariffs on Japan has affected the Japanese economy. Trump's trade adjustments for China (in exchange for reduced tariffs), limited public support for Japan in its current tensions with China, and treatment of U.S. allies in Europe at times have led some to question U.S. intentions and reliability in Japan.

Many Japanese observers are concerned that Trump may pursue a partnership with China that would undermine Japanese interests. In the short term, Japanese leaders are implementing defense and economic policies that the Trump Administration favors. In the medium to long term, however, an aging and shrinking population, the depreciation of the Japanese yen, and other domestic challenges could raise the costs to Japanese leaders of maintaining their economic commitments to the United States while also raising defense spending. Eventually, financial constraints could lead Japan to seek to scale back more ambitious bilateral economic and security goals and/or reduce payments that support U.S. bases in Japan. Additionally, Japan is taking steps to mitigate its military reliance on the United States that over time could reduce U.S.-Japan alliance capabilities and reduce U.S. influence.

Japan's Political Situation

From 2012 to 2024, the Liberal Democratic Party's (LDP's) predominant position in Japanese politics undergirded upgrades in U.S.-Japan cooperation over that time. The LDP's dominance was shaken in 2024, when the party and its then-coalition partner lost its majority in Japan's Lower House of Parliament, called the Diet. In July 2025, the LDP coalition also lost its majority in the Diet's Upper House, prompting the LDP to select Takaichi as its new leader. Shortly thereafter, the Diet elected Takaichi as prime minister, making her the first woman to hold that post. Takaichi formed a new coalition that had a one-seat Lower House majority. Buoyed by approval ratings over 60%, Takaichi dissolved the Lower House in late January 2026 and scheduled elections for February 8. If Takaichi boosts the coalition's seat count, she said she intends to stimulate the economy and bolster Japan's defense capabilities.

The U.S.-Japan Military Alliance

Since the early 2000s, facing an increasingly challenging security environment, the United States and Japan have steadily deepened interoperability to enhance operational coordination in the alliance. In July 2024, the two sides announced the planned reconstitution of U.S. Forces Japan (USFJ) into a joint force headquarters that would act as a counterpart to Japan's Joint Operations Command, which Japan activated in 2025. The Trump Administration has continued the USFJ upgrade, and in mid-2025, USFJ established the Japan Self-Defense Force Joint Operations Command Cooperation Team to improve U.S.-Japan military coordination.

For decades, the United States and Japan have wrestled with managing the U.S. troop presence in Okinawa, Japan's southernmost prefecture. About 70% of all facilities and areas used by USFJ and roughly half of U.S. military personnel in Japan are in Okinawa, an island chain comprising less than 1% of Japan's total land area. Many Okinawans oppose elements of the U.S. military presence in Okinawa. Particularly controversial is the construction of new U.S. bases, especially a longstanding plan to relocate U.S. Marine Corps Air Station Futenma from a crowded urban area to a less congested area. The United States and Japan announced in December 2024 that the first 100 of some 4,000 U.S. Marine Corps personnel would begin relocating from Okinawa to Guam in 2025. As of September 2025, the Pentagon reported there were 217 Marines in Guam. It is unclear how many were transferred from Okinawa.

Japan Strengthens Its Defense Posture

Japan is constrained in its ability to use military force by its U.S.-drafted pacifist constitution and by Japanese popular hesitation to engage in military conflict. However, as perceived threats from China and North Korea have grown, Japan's government and people have reconsidered the

country's approach to national security. Japan has accelerated reforms to make its military (the Self-Defense Forces) more capable, flexible, and interoperable with U.S. forces. In 2022, the Japanese government released plans to raise the country's defense spending to 2% of its GDP by FY2027 and declared it would develop a "counterstrike" missile capability to attack enemy missile sites. Takaichi has pledged to reach the 2% of GDP spending target by FY2025 (which ends in March 2026), accelerating the timeline by two years, due to ongoing concerns about PRC activity. To fulfill its goal to acquire a "counterstrike" capability, Japan is procuring the Tomahawk Weapon System for an estimated \$2.35 billion via the U.S. Foreign Military Sales program. Japan expects to receive the first Tomahawk missiles by March 2026.

Regional Relations

China. After entering office in October 2025, one of Takaichi's first summits was with PRC leader Xi Jinping, during which the two committed to maintaining "constructive and stable" relations. Within weeks, however, Japan-China relations plummeted after Takaichi said that PRC military aggression against Taiwan could potentially pose a threat to Japan's survival. A "survival threatening" situation is one of the legal conditions necessary for Japan to use military force to assist another country under military attack. China responded with a range of punitive measures, including a ban on Japanese seafood imports, a ban on critical mineral and other dual-use exports to Japan, and increasing military activities around Japan's southwest islands. Some observers have criticized the Trump Administration for not doing more to publicly support Japan. H.Res. 971, H.Con.Res. 71, and S.Res. 547 would condemn China's coercive actions against Japan and praise Japan's actions related to the Taiwan Strait.

South Korea. Since 2023, U.S.-Japan-South Korea relations have expanded and deepened. The three countries have held multiple trilateral summits, established a secretariat, created a system for exchanging real-time North Korea missile warning data, conducted multi-domain military exercises, and signed a "Commitment to Consult" on regional challenges. The expanded cooperation has continued under Trump, Takaichi, and South Korean President Lee Jae Myung. Historically, trilateral cooperation has been constrained by Japan-South Korea tensions over a territorial dispute and sensitive issues stemming from Japan's 1910-1945 colonization of the Korean Peninsula. Takaichi and Lee appear to have put aside their past skepticism of the value of improving bilateral relations, meeting three times since Takaichi entered office and agreeing to treat disagreements over history and territory separately from other issues.

Economic and Trade Issues

In 2024, Japan was the sixth-largest U.S. trading partner based on total goods and services trade (Figure 1) and the top source of foreign direct investment in the United States. The two countries have three limited bilateral trade deals: Two took effect in 2020 and covered market access in some goods trade and rules on digital trade, and the third is a 2023 critical minerals agreement (CMA).

In 2025, Trump imposed global and country-specific tariffs on most trading partners, including Japan, under the International Emergency Economic Powers Act (50 U.S.C. §§1701 et seq.). In July 2025, the United States and Japan announced a bilateral "strategic trade and investment agreement," under which the United States imposed a 15% tariff on most imports from Japan—a reduction from the 25% initially proposed but an increase from 2024 U.S. tariff rates. Trump has also imposed sectoral tariffs under Section 232 of the Trade Expansion Act of 1962, including on key Japanese exports like steel (50% tariffs for Japan and most other countries) and autos (15% for Japan). Other Section 232 investigations are ongoing. In January 2026, Trump announced actions related to semiconductors and processed critical minerals, which could affect Japanese industries.

Figure 1. Top U.S. Trade Partners, 2024



Source: CRS; data from Bureau of Economic Analysis.

Under the deal, Japan committed to increase purchases of U.S. agricultural goods, aircraft, defense equipment, and energy and to ease certain domestic regulations affecting U.S. products. According to a September 2025 U.S.-Japan memorandum of understanding, Japan also committed to invest \$550 billion in strategic U.S. sectors (e.g., semiconductors, pharmaceuticals, metals, critical minerals, shipbuilding, energy, artificial intelligence, and quantum computing). Investments are to be made before 2029 and overseen by an investment committee chaired by the U.S. Commerce Secretary. In implementing the deal, the White House emphasized both sides' commitment "to enhancing economic and national security alignment to bolster supply chain resilience and innovation through complementary action to address non-market policies of third parties."

Japan's investment pledge comes amid other high-profile foreign investment deals that have been a focus of U.S. Administrations and some Members of Congress. This includes Nippon Steel Corporation's proposed acquisition of U.S. Steel Corporation, which underwent review in 2024 by the Committee on Foreign Investment in the United States (CFIUS). In early 2025, then-President Biden issued a presidential order under CFIUS authorities to block Nippon Steel's bid, citing risks to U.S. national security. In June 2025, following a new review by CFIUS, Trump announced approval of the U.S. Steel deal contingent on mitigation terms in a national security agreement. The companies' negotiated terms include a "golden share" arrangement, which grants the U.S. government and President certain rights in the company relating to governance, domestic production, and trade matters.

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