



U.S.-Japan Relations

Overview

Japan, a U.S. treaty ally since 1952, is an important U.S. security and trade partner. Shared bilateral goals include addressing 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 (**Figure 1**) 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 generally has focused on alliance cooperation, particularly on how Japan and the United States coordinate their China strategies, and more recently on the impact of U.S. tariff actions.

The second Trump Administration has sent various signals on the value it places on the U.S.-Japan relationship. It has continued most Biden-era alliance upgrades, signed a range of economic cooperation agreements, and encouraged Japan's moves to increase defense spending and enhance its military capabilities. President Donald Trump has held three summits with his Japanese counterparts, including hosting current premier Sanae Takaichi in March 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. The President's limited public support for Japan in its current row with China and his treatment of U.S. allies in Europe have led some Japanese observers to question U.S. intentions and reliability. Many Japanese also are concerned that Trump may pursue a partnership with China that would undermine Japan's interests.

Japan's Political Situation

Takaichi's party, the conservative Liberal Democratic Party (LDP), has governed nearly uninterrupted since 1955. In February 2026, less than four months after taking office, she led her party, in coalition with a smaller party, to a landslide victory in elections for the Lower House of Japan's parliament, or Diet. Takaichi's priorities include increasing defense spending and tackling inflation, though the coalition's minority status in the Upper House complicates its agenda. The next scheduled elections for the Upper House are in July 2028. Lower House elections are not required until February 2030.

The U.S.-Japan Military Alliance

Since the early 2000s, facing an increasingly challenging security environment, the United States and Japan have steadily enhanced operational coordination in the alliance. In July 2024, the Biden Administration 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 March 2026, the Pentagon reported 210 Marines were 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 and flexible, as well as 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 accelerated the defense spending timeline by two years. 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 received its first Tomahawk missiles in March 2026. Deliveries were expected through March 2028 but reportedly have been delayed due to drawdowns during the military conflict with Iran.

The U.S./Israel-Iran Military Conflict

The Takaichi government has stated its intent to help reopen the Strait of Hormuz. Nearly all of Japan's oil imports come from the Middle East, and well over half of these imports pass through the Strait. Also, many of Japan's imports of critical goods and equipment from Southeast Asian countries are dependent upon those countries' energy imports from the Middle East. In the spring of 2026, Takaichi's government launched a \$10 billion financial framework to help Southeast Asian countries' energy sectors and enacted a nearly \$20 billion supplementary budget to help Japan cope with higher energy prices.

Regional Relations

China. Japan-China relations have been at their tensest state in over a decade following Takaichi's November 2025 comment 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 a country under military attack. China responded with punitive measures including a ban on Japanese seafood imports, a ban on critical mineral and other dual-use exports to Japan, and increased 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 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 the legacies of Japan's 1910-1945 colonization of the Korean Peninsula. Takaichi and Lee appear to have put aside their skepticism of improved bilateral ties, in part due to shared concerns about U.S. reliability. They have met four times since Takaichi entered office and agreed to treat disagreements over history and territory separately from other issues.

Economic and Trade Issues

The United States and Japan do not have a comprehensive free trade agreement. Since 2020, the two countries have entered into limited bilateral trade deals covering market access in some goods trade, digital trade rules, and critical minerals supply chains.

In 2025, Trump imposed tariffs on most trading partners, including Japan, under the International Emergency Economic Powers Act (IEEPA, 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. In February 2026, the U.S. Supreme Court held that IEEPA does not give the President authority to impose tariffs. Trump has since imposed a 10% temporary import surcharge on global imports. Administration officials have expressed their intention to use other authorities to reinstate tariffs. The President has imposed sectoral tariffs under Section 232 of the Trade Expansion Act of 1962, including on key Japanese exports like steel and autos. In January 2026, Trump announced actions related to semiconductors and processed critical minerals, which could affect Japanese industries. The Administration also is investigating various economies, including Japan, under Section 301 of the Trade Act of 1974, which could result in additional tariffs.

Figure 1. Top U.S. Trade Partners, 2025

	U.S. IMPORTS	U.S. EXPORTS
Mexico	585	391
Canada	451	426
China	332	164
UK	168	206
Germany	209	129
Japan	191	137

Goods and Services; U.S. \$ billions

Source: CRS; data from Bureau of Economic Analysis.

Under the 2025 framework agreement, 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. Japan also committed to fund up to \$550 billion of investments in strategic U.S. sectors (e.g., semiconductors, pharmaceuticals, critical minerals, shipbuilding, energy, and artificial intelligence/quantum computing). Investments are to be made before 2029 and overseen by an investment committee chaired by the U.S. Commerce Secretary. The two countries have announced several projects, the majority involving energy. In implementing the framework agreement, the White House also emphasized both sides' commitment to "bolster supply chain resilience" and take "complementary action to address non-market policies of third parties." Japan's investment pledge comes amid other high-profile investment deals that have been a focus of U.S. Administrations and some Members of Congress. This includes Japanese firm Nippon Steel Corporation's acquisition of U.S. Steel Corporation, which underwent review in 2024 by the Committee on Foreign Investment in the United States and was initially blocked by Biden. In 2025, Trump approved the U.S. Steel deal contingent on a national security agreement, which grants the U.S. government and President certain rights in the company.

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