

Japan's Evolving Defense Policy and the U.S.-Japan Alliance

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Introduction

In 2026, Japanese Prime Minister Sanae Takaichi has been implementing major changes to Japan's security policies, with important implications for the U.S.-Japan alliance and the Indo-Pacific region. Forged after Japan's defeat in World War II, the alliance has long anchored the U.S. security role in East Asia. The alliance was originally constructed as an asymmetric arrangement, whereby the United States assumed primary responsibility for Japan's defense. Japan, restrained in part by its pacifist U.S.-drafted constitution, refrained from most traditional methods of exerting military power. Since the 1990s, however, Japan's dominant Liberal Democratic Party (LDP) incrementally has been normalizing Japan's security posture, reportedly propelled by its sense that threats from the People's Republic of China, North Korea, and Russia are growing, as well as its increasing concerns about [U.S. reliability](#) as an alliance partner. Takaichi is accelerating these trends. Elected in October 2025, she has initiated a series of changes to Japan's national defense policy, including having upgraded intelligence-collecting capabilities; removed restrictions on arms transfers; and expanded cooperation with regional partners. In addition, Takaichi and her two immediate predecessors committed Japan to nearly [double](#) Japan's defense spending to 2% of gross domestic product (GDP) between 2023 and 2028.

Japan Reforms National Intelligence Capabilities

Over the past year, Japan has enacted reforms aimed at consolidating its national intelligence gathering, analysis, and decisionmaking capabilities. In May 2026, Japan's national legislature (or Diet) [passed](#) a law to establish a [National Intelligence Bureau \(NIB\)](#), which under the legislation will have the authority to coordinate intelligence collection and analysis across government ministries and serve as the secretariat for a new National Intelligence Council (NIC). Chaired by the prime minister, the Council is expected to [develop](#) a medium-to-long-term National Intelligence Strategy. [Some](#) observers [say](#) that before the law's enactment, Japan operated a fragmented intelligence system with limited coordination and intelligence sharing among agencies. [Japanese opposition lawmakers](#) and [critics](#) have warned that the new intelligence bodies lack sufficient legislative oversight and risk infringing on citizens' right to privacy. Japan's

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planned launch of the NIB and NIC in 2026 is intended to be [one step](#) in a multi-phase effort to overhaul Japan's intelligence functions. Japan also reportedly intends to establish a foreign intelligence agency to collect information from abroad.

Japan's Revised Defense Export Policy

Takaichi in April 2026 [removed](#) Japan's ban on lethal weapons exports, citing an "increasingly severe" security environment. Under the revised policy, Japan may export lethal arms to 17 countries with which Japan has defense equipment and technology transfer agreements, provided those countries are not engaged in active conflict. The countries include the United States, Australia, India, and the Philippines. Takaichi's [prioritization](#) of building Southeast Asian countries' maritime law enforcement capacities may inform defense export decisions. Before the change, Japan's defense-related exports were [limited](#) to five categories: rescue, transport, warning, surveillance, and minesweeping. The policy revision builds on a [gradual loosening](#) of defense equipment export restrictions over the decades. Takaichi has [said](#) Japan will remain "[a peace-loving nation](#)." The PRC government has [expressed](#) concern over the revisions, calling them "reckless moves of neo-militarism." Japanese industrial capacity [constraints](#) could pose challenges to Japan's competitiveness in the global defense marketplace.

Greater Cooperation with Australia and the Philippines

In decades past, signs of Japanese militarization triggered negative reactions in East Asia, much of which was colonized or occupied by imperial Japan in the first half of the 20th century. Over the last decade, several countries, particularly Australia and the Philippines, have welcomed the opportunity to enhance their defense relationships with Japan.

In 2022, Japan and Australia issued a [Joint Declaration on Security Cooperation](#) in which they committed to consult on contingencies that could affect their national sovereignties and regional security interests. Citing strategic alignment, the two countries also signed a [Reciprocal Access Agreement \(RAA\)](#) that entered into force in 2023, providing a basis for each country's military forces to operate in the other. In April 2026, Australia also [finalized a contract](#) to purchase 11 [Japanese-designed warships](#), with the first of these expected to be operational [by 2034](#). The Australian government reportedly said it expects to replace its ageing naval fleet with these larger, [more sophisticated vessels](#).

Japan and the Philippines also have [upgraded](#) security ties. The two countries [signed an RAA](#), which entered into force in September 2025. This allowed Japan to [dispatch its forces](#) to the Philippines for the first time since World War II. Japan and the Philippines also reportedly aim to [conclude](#) an agreement to share classified information.

Impacts on the U.S.-Japan Alliance and Congress's Role

The Takaichi administration is [preparing](#) to release a revised national security strategy by the end of 2026, with a possible [emphasis](#) on the use of artificial intelligence, inexpensive unmanned assets, and cyber defense. Japan's more assertive defense posture could allow it to play a greater role in the U.S.-Japan alliance, in line with the [Trump Administration's call](#) for U.S. allies to take more responsibility for their own security. Having revised its defense export policy, Japan faces a [potential opportunity](#) to increase defense industrial cooperation with the United States. However, some observers have expressed [concerns](#) that Japanese defense equipment may be diverted to countries with human rights issues or may contribute to a regional arms race. With a debt-to-GDP ratio over 200%, Japan also is navigating how to fund the implementation of its defense efforts.

In its oversight role of the alliance, Congress could require the Pentagon to provide information on how the United States and Japan plan to align their capabilities to address future military challenges, including via intelligence sharing and cooperation with regional partners. Congress could consider whether to appropriate funds for joint U.S.-Japan defense industrial projects. Members also may consider expressing support or disapproval of the current level of the U.S. security commitment to Japan, provide input on U.S. engagement with Japan's new defense policies, and investigate potential impacts of Japan's policy changes on the alliance and on the region.

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