

# MP-IDSA

## Issue Brief

# Assessing Japan's Diplomacy in 2025

*Arnab Dasgupta*

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## Summary

Japan's diplomacy in 2025 saw significant volatility in superpower relations, while the prominence of economic security and a re-examination of long-standing diplomatic planks gained momentum. Japan's quest to modernise its post-World War II foreign policy is a welcome step in the right direction, particularly regarding the loosening of the Three Principles on Arms Exports.

Japanese diplomacy in 2025 underwent several paradigm shifts, each of which brought in train potentially transformative impacts. Relations with China improved only to collapse after a leadership change in Tokyo, while fraught battles over US tariffs led to cautious improvement in ties with Washington. Long-held shibboleths of Japan’s post-war policy were revisited in light of the changing global context. Finally, the concept of economic security emerged as a central focus of Tokyo’s engagement with the world.

## Relations with Superpowers

At the beginning of 2025, it seemed that the United States of America would be Japan’s primary challenge, as Donald J. Trump took the oath of office for a second time. The February summit between the returning Trump and Prime Minister Shigeru Ishiba was expected to mark a ‘golden chapter’ in ties between the two strategic allies.<sup>1</sup> The Nippon Steel issue in the first half of 2025, though, highlighted in stark relief Trump’s view of trade and commerce as a game with clear winners and losers.<sup>2</sup> This point was further driven home when Trump announced his ‘Liberation Day’ tariffs.

The subsequent struggle to negotiate an agreement while fending off attacks on the protected agricultural sector by the Trump administration tested Japanese policymakers’ capabilities to the extreme, even as it had a significant impact on the domestic economy.<sup>3</sup> Indeed, the final agreement can be read as symbolising the best of a bad bargain, as Japan settled for a lower (but still substantial) rate of 15 per cent tariffs on major product lines.<sup>4</sup>

By contrast, relations with China seemed to be stabilising. Despite irritants such as a series of potentially xenophobia-motivated attacks on Japanese citizens residing in China, overall relations appeared to vindicate the long process of improvement initiated by Prime Minister Kishida and continued by Prime Minister Ishiba. The highlight of this detente was the successful convening of the Japan–China–Republic of Korea (ROK) trilateral foreign ministers’ meeting in the spring of 2025, which saw the three sides agreeing to collaborate in relatively uncontroversial areas.<sup>5</sup>

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<sup>1</sup> “[Japan-U.S. Summit Meeting](#)”, Ministry of Foreign Affairs of Japan, 7 February 2025.

<sup>2</sup> Arnab Dasgupta, “[The Nippon Steel Issue: An Unforeseen Irritant in Japan–US ties](#)”, Commentary, Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA), 24 January 2025; Kristi Govella, “[Understanding Trump’s Decision to Approve the Nippon Steel Deal](#)”, Commentary, Center for Strategic and International Studies (CSIS), 16 June 2025.

<sup>3</sup> Kojo Yoshiko, “[Unpredictable and Unprecedented: The Trump Tariff Policy and Japan’s Responses](#)”, *Nippon.com*, 25 December 2025.

<sup>4</sup> Ibid.

<sup>5</sup> “[The Eleventh Japan–China–ROK Trilateral Foreign Ministers’ Meeting](#)”, Ministry of Foreign Affairs of Japan, 22 March 2025.

The appointment of Sanae Takaichi to the prime ministership in October immediately reversed this trend. China barely commented on her appointment, and during her first meeting with President Xi Jinping on the sidelines of the Asia-Pacific Economic Cooperation (APEC) summit in late October, she raised issues deemed highly sensitive in China, such as Hong Kong and the treatment of minorities.<sup>6</sup>

Compounding this initial impression, Takaichi, on 7 November, made a statement in the Japanese Diet that was widely perceived as off-the-cuff, in which she appeared to dissolve the traditional ambiguity of Japan’s stance on the feasibility of military intervention in the event of a Taiwan contingency.<sup>7</sup> Though the context of her statement revolved around the definition of a ‘survival-threatening situation’ in security legislation passed in 2014, the statement, taken alone, left open the prospect of Japan’s active intervention if the Taiwan Strait were blockaded by People’s Liberation Army Navy ships.

The reaction from Beijing was swift and carefully calibrated to cause maximum discomfort to the fragile Japanese economy. Seafood import bans were reinstated, people-to-people exchange was halted, and cultural exchange was interrupted.<sup>8</sup> The Chinese Consul-General in Osaka issued a social media post that was generally interpreted as a threat of physical violence against the Prime Minister.<sup>9</sup> Chinese Coast Guard vessels were observed increasingly frequently around the disputed Senkaku Islands<sup>10</sup> while PLAN vessels continued to sail extremely close to Japan’s maritime boundaries facing the Asian mainland.<sup>11</sup> On 7 December, a J-15 fighter deployed on the aircraft carrier *Liaoning* locked its fire-control radar on Japanese aircraft, raising tensions by several notches.<sup>12</sup>

Japan protested against these moves, with the Prime Minister herself proclaiming her openness to dialogue while refusing to consider withdrawing the 7 November

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<sup>6</sup> “[Japan-China Summit Meeting](#)”, Ministry of Foreign Affairs of Japan, 31 October 2025.

<sup>7</sup> “[PM Takaichi Defends Remarks on Japan’s Involvement in Taiwan Contingency](#)”, Kyodo News, 10 November 2025.

<sup>8</sup> “[China reimposes Japanese seafood import suspension: source](#)”, Kyodo News, 19 November 2025.

Joseph Campbell and John Geddie, “[Japan counts cost of China’s travel boycott as tensions flare](#)”, Reuters, 19 November 2025. Jiji, “[Anime Event in Shanghai Canceled After Singer’s Show Interrupted](#)”, The Japan Times, 29 November 2025.

<sup>9</sup> “[China Would Cut Off Takaichi’s ‘Filthy Head’ in Taiwan Crisis, Diplomat Allegedly Says in Online Post](#)”, The Japan News by the Yomiuri Shimbun, 10 November 2025.

<sup>10</sup> “[China Coast Guard ship formation sails through Japan-administered Senkaku Islands](#)”, The Asahi Shimbun, 17 November 2025.

<sup>11</sup> “[中国海軍の情報収集艦が大隅海峡航行 過去最多「日本周辺で急速に活動拡大」 鹿児島](#)” [Chinese Intelligence-Gathering Ship Crosses Osumi Strait, Highest Number of Sightings; ‘Rapidly Building Up Deployments Around Japan’], TBS News Dig, 11 November 2025.

<sup>12</sup> 相田守輝 [Aita Moriki], “[J-15レーダー照射事案にみる中国軍の組織文化——アンプロフェッショナルな振る舞いはなぜ続くのか?](#)” [What the J-15 Radar Illumination Incident Reveals About the Chinese Military’s Culture: Why Does Unprofessional Behavior Persist?], NIDSコメントリー第410号 [NIDS Commentary No. 410], 防衛研究所 [National Institute for Defense Studies], 19 December 2025.

statement.<sup>13</sup> Senior diplomats presented their views to Chinese counterparts that the Prime Minister’s remarks in no way constituted a change in Japan’s policy of non-recognition of Taiwan. However, China has continued to demand a withdrawal of the statement.

Interestingly, Takaichi’s strong statements have proven popular domestically in Japan, with large majorities supporting her China policy in surveys.<sup>14</sup> However, China has the capacity to inflict significant economic pain on Tokyo, with considerable knock-on effects on the populace. Its large domestic consumer base and pivotal position in global supply chains, despite efforts by developed economies to de-risk and diversify, continue to give it a decisive voice in these countries’ foreign policies.

## **The Increasing Prominence of Economic Security**

Economic security has emerged as an integral part of Japan’s foreign policy, given the above situation. Japan claims that it was first made aware of the need to ensure economic security in 2010, when a diplomatic fracas with China over the arrest of the captain and crew of a fishing boat which had attempted to land on the Senkaku Islands resulted in a prolonged economic boycott by Beijing. The subsequent nationalisation of the islands in 2012 triggered another round of economic measures by China, including a freeze on rare-earth minerals necessary for Japan’s high-technology manufacturing. In 2021, Japan enacted legislation that laid the foundations for economic security; in 2022, an action plan was produced.<sup>15</sup>

Events in 2025 confirmed the growing salience of economic security as a tool in Japan’s policy toolbox. Repeated encounters with crosswinds in US economic policymaking undoubtedly eroded Japanese policymakers’ confidence in their country. At the same time, the deep crisis in Japan–China relations in the second half of the year may have strongly reinforced the scepticism of many lawmakers and bureaucrats that Beijing fundamentally stands at odds with Japan’s best interests. Japan must now factor in its allies as well as its rivals when it formulates policies on economic security.

This new understanding formed an increasingly integral part of its outreach to a broader set of partners, especially India and the Global South. The August visit by

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<sup>13</sup> “[PM Takaichi Vows to Maximize Japan’s Interests Through Dialogue with China](#)”, *Kyodo News*, 26 November 2025.

<sup>14</sup> “[Takaichi Cabinet Approval Holds at 72% as Voters Back Aggressive Fiscal Stimulus, Child Benefits](#)”, *The Japan News by the Yomiuri Shimbun*, 24 November 2025; “[Support Rate for Japan PM Takaichi’s Cabinet Dips to 67.5%: Poll](#)”, *The Mainichi Shimbun*, 21 December 2025.

<sup>15</sup> Jun Osawa, “[How Japan Defines Economic Security](#)”, Wilson Center, 11 July 2023, pp. 5–8.

Prime Minister Narendra Modi to Japan produced a Fact-Sheet on Economic Security Cooperation, which sought to leverage existing cooperation to provide alternatives for Japanese business ventures.<sup>16</sup> This followed the inaugural India–Japan Economic Security Dialogue held in 2024, which institutionalised economic security across critical and emerging technology sectors.<sup>17</sup> Beyond India, economic security also featured prominently in Japan’s engagement at multilateral meetings, such as the G7, as well as at its flagship African development conference, TICAD.<sup>18</sup>

## A Taboo-Breaking Diplomacy

The transition of power from the Ishiba administration to the Takaichi team in October 2025 also presaged the upending (or at least the prospect of significant re-evaluation) of two long-held normative taboos in Japanese foreign policy and strategy. The first was the prohibition on engaging in the trade in defence equipment, especially offensive weapons systems. The second, more deeply-rooted one, is the prohibition on nuclear weapons. In Japan, opposition to nuclear weapons was long considered a cornerstone of its foreign policy. The Three Non-Nuclear Principles, laid down by Prime Minister Eisaku Sato in 1963, forbade the production, possession or importation of nuclear weapons into Japanese territory.<sup>19</sup>

Under Takaichi, the Three Non-Nuclear Principles face a tough test. The Prime Minister herself has candidly supported the relaxation of at least one of the three principles (that of importation).<sup>20</sup> A blue-ribbon panel assembled by the Ishiba administration on defence matters explicitly recommended in its final report in October that Japan should explore ‘alternative propulsion methods’ for its diesel-electric submarines.<sup>21</sup> This proposal, if accepted, would imply that Japan could decide to redirect its resources towards constructing nuclear-powered submarines (SSNs). Combined with the recent agreement between the US and the ROK to build SSNs, the East Asian region could likely become the site of a strategic escalation

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<sup>16</sup> “[Fact-Sheet on Economic Security Cooperation](#)”, Ministry of Foreign Affairs of Japan, 29 August 2025.

<sup>17</sup> “[Inaugural Round of India-Japan Dialogue on Economic Security, Including Strategic Trade and Technology](#)”, Ministry of External Affairs, Government of India, 27 November 2024.

<sup>18</sup> “[G7 Kananaskis Summit \(Session 2 \(Working Lunch\) ‘Economic Growth, Economic Security and Resilience’\)](#)”, Ministry of Foreign Affairs of Japan, 16 June 2025; Mohanasakthivel J. and Arnab Dasgupta, “[TICAD 9 and the Indian Ocean: Prospects for India–Japan Collaboration](#)”, Issue Brief, MP-IDSA, 1 October 2025.

<sup>19</sup> Abhishek Verma and Arnab Dasgupta, “[Japan’s ‘Nuclear Taboo’ 80 Years after Hiroshima and Nagasaki](#)”, Issue Brief, MP-IDSA, 22 August 2025.

<sup>20</sup> 千葉卓朗, 小野太郎 [Takuro Chiba, Taro Ono], “[高市首相かつて「邪魔になる」と…非核三原則の文言堅持を明言せず” \[PM Takaichi Formerly: “It’s A Hindrance”; Does Not Explicitly Uphold Three Non-Nuclear Principles\]](#)”, 朝日新聞 [Asahi Shimbun], 12 November 2025.

<sup>21</sup> Gabriel Dominguez, “[With Nuclear Sub Proposal, Japan Faces Array of Political and Tech Challenges](#)”, *The Japan Times*, 8 October 2025.

spiral where all three major powers in the area (as well as the Democratic People’s Republic of Korea) could field long-range, high-endurance submarine platforms against each other.

Japan’s prohibition on trade in defence equipment is of the same vintage. First formulated in 1967 to prevent the transfer of weapons to Communist Bloc countries, rogue regimes and conflict-prone regions, the Three Principles on Arms Exports (武器輸出三原則) restricted permissible exports to non-lethal equipment in five categories: rescue, transport, warning, surveillance and minesweeping.<sup>22</sup>

Takaichi also represents a markedly different way of thinking here. Should her understanding be converted into policy, Japan would be free to export lethal weapons systems to countries which are willing to adhere to the stringent reporting requirements mandated by the Principles.<sup>23</sup> Not only would this policy enhance Japan’s efforts to increase uptake of its Official Security Assistance (OSA) programme, but it would also expand the Japanese domestic arms industry’s capital base and capabilities. The sale of the advanced *Mogami*-class frigates to the Royal Australian Navy<sup>24</sup>, agreed in September, as well as the fighter jet platform to be produced by the consortium working on the Global Combat Air Programme (GCAP), could well be followed by a more forthright programme of weapons sales to select countries throughout the Indo-Pacific.

## Conclusion

Japan’s diplomacy in 2025 reveals the contours of new thinking in Tokyo that explicitly aims to maximise national interests while making the best efforts to preserve traditional concerns. Still, it is not averse to discarding them should the international situation change adversely. Japan’s relations with the superpowers are the most significant point of contention for Japan’s future. Although the US and China have seemingly traded places in the health of the bilateral relationship, Tokyo cannot rely on the US unconditionally, especially given Donald Trump’s mercurial temperament.

On the other hand, the deep freeze in relations with China is likely to drag on. Beijing has clearly decided to apply all avenues of leverage to suppress the Japanese far-right’s obsession with Taiwan definitively, and speculation that they aim to bring

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<sup>22</sup> Sato Heigo, “[Japan’s New Arms Export Policy: An Unfinished Breakthrough](#)”, *Nippon.com*, 27 March 2024.

<sup>23</sup> Takahashi Kosuke, “[Takaichi Government Moves to Expand Japan’s Defense Exports After Komeito’s Exit](#)”, *The Diplomat*, 6 November 2025.

<sup>24</sup> “[Australia Chooses Japan to Help Develop New Warship, Setting Stage for Stronger Defense Ties](#)”, *The Japan News by the Yomiuri Shimbun*, 5 August 2025.

about Takaichi’s exit and the neutralisation of the Liberal Democratic Party’s archconservative wing may not be wide of the mark. Whether the desired behavioural change occurs will, of course, be a point to note.

The growing prominence of economic security as a key pillar of Japanese diplomacy warrants detailed observation, particularly in light of Tokyo’s desire to apply it to relations with India. Although largely complementary, there are areas of potential friction in which India’s developmental priorities and national objectives may not align with Japan’s desire to secure and maintain a technological edge in specific sensitive sectors. Navigating these friction points while preserving the distinctive national advantages of both countries will be best achieved through a deeper understanding of Japan’s economic security policy.

Japan’s quest to modernise its post-World War II foreign policy is a welcome step in the right direction, particularly regarding the loosening of the Three Principles on Arms Exports. A stronger, more militarily capable Japan is highly likely to be a greater stabilising force in the Indo-Pacific. For India, Japan has the potential not only to be a reliable source of procurement for advanced technologies, but also to be a trusted partner in defence manufacturing and development. As such, developments in this area would be of great interest in the future.

## About the Author



**Dr. Arnab Dasgupta** is Research Analyst at the Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

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