The US and Japan began the year with a 2+2 meeting, continuing their close coordination on alliance preparedness and regional coalition-building. COVID-19 affected the two allies’ diplomatic schedule, however, as the omicron variant spread quickly in Washington, DC. Once again, an in-person meeting between the secretaries of state and defense and their counterparts, ministers of foreign affairs and defense, had to be moved online. Moreover, resolving the management of COVID by US Forces Japan with Japan’s own protocols was on the agenda. But the US and Japanese governments met another challenge with alacrity: the conclusion of a new Host Nation Support agreement. With an emphasis on alliance resilience, this five-year provision of Japanese support for the US military in Japan handily sidestepped some of the political difficulties that have colored talks in the past.
Much is ahead for Japan this year in updating its strategic planning. Prime Minister Kishida Fumio began a strategic review late last year, and the National Security Council as well as the Ministry of Defense got to work on laying out the aims of a new National Security Strategy, 10-year defense plan, and an accompanying procurement plan. Shaped by the accelerating shift in the military balance in Japan’s vicinity and across the Indo-Pacific, this strategic review is expected to be momentous. The Liberal Democratic Party (LDP) also initiated its own study of Japan’s strategic needs and produced a draft that highlights doubling Japan’s defense spending to match NATO’s target of 2% of GDP.

But President Biden and Prime Minister Kishida have focused on Europe since Russia invaded Ukraine. Both allies have been in sync as the G7 mobilized to impose sanctions against Russia and aid to Ukraine. Framing this crisis as a violation of the postwar international order, Kishida firmly committed Japan to ongoing and comprehensive engagement with not only the US but also European nations. Moreover, Putin’s war against Ukraine has galvanized dialogue between US allies in NATO and in Asia, creating a deepening diplomatic opportunity for Japan to develop European support should a similar crisis erupt in the Indo-Pacific.

**US-Japan Alliance Resilience**

The year opened with a surge in bilateral diplomacy, albeit via meetings that had to be moved online given the spread of the highly contagious omicron variant of COVID-19. After reaching an agreement on Host Nation Support in late December 2021, January 2022 featured a virtual Security Consultative Committee (“2+2”) meeting followed by a virtual Biden–Kishida summit.

Under the new Host Nation Support budget, Japan will contribute ¥1.05 trillion ($8.1 billion) to hosting US forces over a five-year period that begins with fiscal 2022. Japan’s commitment marks an increase of ¥75 billion ($577 million) compared to the previous five-year agreement, which spanned from fiscal 2016 to 2020. Apart from covering costs related to maintaining the facilities used by US troops in Japan, the upcoming budget also includes funds to support joint military exercises, including ¥20 billion ($154 million) for the purchase of advanced virtual combat training systems.

In recognition of the new agreement’s efforts to strengthen the alliance, Foreign Minister Hayashi Yoshimasa announced on Dec. 21 that the Japanese government would no longer use the term “sympathy budget” for Host Nation Support. Instead, Hayashi said it would be referred to as “the budget to enhance resilience of the alliance.” Hayashi and Raymond Greene, chargé d’affaires ad interim at the US embassy, officially signed the new Special Measures Agreement concerning Host Nation Support in Tokyo on Jan. 7, the same day that the US and Japan held their virtual 2+2 meeting.

The 2+2 meeting—which brought together Secretary of State Antony Blinken, Secretary of Defense Lloyd Austin, Foreign Minister Hayashi, and Defense Minister Kishi Nobuo—was notable for the breadth of topics that it covered. In addition to emphasizing “the US-Japan Alliance's critical role as the cornerstone of regional peace, security, and prosperity,” the meeting’s joint statement also recognized the “urgent challenges presented by geopolitical tensions, the COVID-19 pandemic, arbitrary and coercive economic policies, and the climate crisis.” Additionally, the four ministers used their meeting to voice a wide range of concerns regarding China’s “efforts...to undermine the rules-based order,” including specific mentions of China’s activities in the East and South China Seas, human rights issues in Xinjiang and Hong Kong, and the importance of peace and stability in the Taiwan Strait.

This broader perspective on the alliance’s need to cover new domains and threats was echoed in the virtual summit held between Biden and Kishida on Jan. 21. This video call marked the first substantive meeting for the two leaders since...
Kishida became prime minister on Oct. 4, 2021. At the summit, Biden and Kishida highlighted their “shared vision of a free and open Indo-Pacific region,” reiterated concerns raised at the 2+2 meeting regarding China as well as North Korea, and pledged to work together to “deter Russian aggression against Ukraine.”

Two outcomes of the summit were especially notable. The first was that Biden accepted Kishida’s invitation to visit Japan in the first half of 2022 for an in-person summit and Quad Leaders Meeting. The Quad, which also includes India and Australia, convened their first in-person leaders’ summit in Washington, DC on Sept. 24, 2021, but it was Kishida’s predecessor Suga Yoshihide who attended the meeting as one of his last acts in office. Kishida will get his first chance to host Biden for a bilateral meeting in Tokyo on May 23, with the Quad Leaders Meeting set to take place the following day.

The second significant outcome of the virtual Biden–Kishida summit was the agreement to create a new, ministerial-level Economic Policy Consultative Committee (i.e., the “Economic 2+2”). While the first committee meeting has yet to take place, expectations are that the venue will focus less on trade and more on issues such as supply chains, infrastructure, technology investments, and general standard-setting.

Virtual diplomacy thus marked a strong start to 2022 for the two allies, yet these meetings also occurred against a backdrop of significant tensions regarding pandemic management. In Okinawa, the US and Japanese governments clashed over the high number of COVID cases among US military personnel stationed there. On Jan. 9, two days after the 2+2 meeting and the same day that Kishida placed Okinawa under a quasi-state of emergency, the US and Japan issued a joint statement restricting the movements of US Forces Japan personnel to only essential activities for the next two weeks. On Jan. 21, the same day as the Biden–Kishida virtual summit, US Forces Japan announced that they would extend these restrictions for an additional week. These restrictions expired on Jan. 31 as cases in Okinawa started to subside.

Japan’s Strategic Review

The Kishida Cabinet is reviewing Japan’s National Security Strategy, first issued in 2013. Scheduled to be completed by the end of 2022, this new strategy will need to address the accelerating changes in the military balance in Japan’s vicinity as well as outline the scope and nature of Japan’s military investments over the next decade. It will also be accompanied by a new 10-year defense plan and a procurement plan for implementing it. Late last year, Kishida convened his first National Security Council meeting to initiate the process within the government. Senior civilian and uniformed leaders of the Ministry of Defense also began their own deliberations over how to revise Japan’s strategic goals.

On Dec. 21 last year, the LDP began its own strategic review under the Joint Research Commission for Security and National Defense. Leading this party effort is former defense minister Onodera Itsunori. On April 26, the final LDP report was released in Tokyo, and a week later, Representative Onodera along with other Diet members visited Washington, DC. On a panel at CSIS, Onodera and Representative Sato Masahisa, head of the LDP’s Foreign Affairs Division, presented their report’s conclusions. The proposal recommends revising three key documents: the National Security Strategy, National Defense Program Guidelines, and the Medium-Term Defense Force Buildup Program. In a detailed assessment of how Japan should respond to a worsening security environment, primarily driven by Chinese military expansion but also by the North Korean missile threat, the Recommendations for the Formulation of a New National Security Strategy presented a comprehensive case for strengthening Japanese capabilities.
Looking ahead, this LDP report presents three issues that will shape Japan’s national policy later this year. The first is what sorts of conventional options will provide Japan with offensive capability. It seems likely that Prime Minister Kishida will decide to introduce “counterstrike capabilities,” the term preferred by the LDP, this year. What kinds of capabilities and how they will be integrated into Japan’s defenses remain to be seen.

Second, the LDP has argued that Japan should aim, like NATO, to spend 2% of its GDP on defense. This would double Japan’s current spending of roughly $52 billion for FY23 to bring it to $104 billion. The LDP report argued that this should be accomplished within five years, which would then mean that $10 billion would be added each year from FY24–FY29. Like other advanced industrial nations, Japan today spends about 30% of its national budget on social security and that is likely to increase given the rapidly aging population. Moreover, somewhere between 22–25% of Japan’s annual budget goes to servicing the government’s debt, and another similar share is dedicated to local government spending. This leaves a small share of the budget from which to find $10 billion extra each year, and many quietly wonder whether this is a real goal or rather should be seen as a bargaining effort to shape the national policy debate later this fall. If the goal of 2% of GDP remains intact, it is more likely that the time frame will be 10 years rather than five.

Finally, the Kishida Cabinet has presented new legislation to the Diet on economic security tools to support its National Security Strategy. Experts gathered to advise the government on what measure should be taken, and most of Japan’s political parties supported this initiative. The bill passed the Lower House on April 7 and Upper House on May 11, with very little opposition. This comprehensive law will allow Japan to develop policy tools for a range of steps to protect the economy. From classifying patents on sensitive technologies to creating incentives for investment in critical inputs for manufacturing (such as semiconductors and rare earth metals) to oversight of Japan’s critical energy and other infrastructure, this bill will create a far more integrated effort at ensuring greater resilience for the Japan’s economy. Much of the detail on how these various economic security policies will be implemented will rest on ministerial decisions, and the Japanese private sector, while supporting this government effort, has been quick to assert their desire for close coordination with the Kishida Cabinet.

**Russia’s Invasion of Ukraine**

Prime Minister Kishida has surprised many with Japan’s fulsome response to the Russian invasion of Ukraine. Prior to the war, Kishida reached out to Ukraine to help even as he sought a direct conversation with Russian President Vladimir Putin to dissuade him from war. When Putin invaded Ukraine on Feb. 24, Japan quickly aligned itself with other G7 nations in developing sanctions against the Russian president, his government, and economic elites. Similar sanctions have been placed on President Alexander Lukashenko and his government in Belarus for supporting Russian aggression. Japan also imposed sanctions on Russian banks, froze sovereign assets in Japanese banks, and withdrew Most Favored Nation status. Close G7 consultations, led by Foreign Minister Hayashi, kept Japan on pace with the US and Europe.

Only in the energy sector did Kishida pause. Japan imports about 11% of its coal, 10% of its LNG supply, and 4% of its crude oil from Russia. Major Japanese trading houses are also deeply invested in two projects on Sakhalin Island as part of international consortia there. Sakhalin–1, led by ExxonMobil, extracts Sokol crude oil, and Sakhalin–2, led by Shell, extracts LNG. When ExxonMobil and Shell pulled out of these projects on March 1, this left Japanese firms exposed to questions about their intent. Kishida did not immediately call for an end to oil and gas imports from Russia, however. Only after the revelations about “war crimes” committed by Russian forces after their retreat from Bucha did Kishida announce on April 8 an end to Japan’s imports of coal from Russia. On May 8, Kishida then joined Biden and the other leaders of the G7 in pledging...
to ban or phase out Russian oil, though Kishida later told reporters that Japan would keep its interests in the Sakhalin-1 and Sakhalin-2 projects.

The Kishida Cabinet has been forthright in its offer of aid to Ukraine. Financial aid was provided early on with $100 million in humanitarian assistance and $100 million in loans. The Japanese government also announced that Ukrainians fleeing the war would be welcomed in Tokyo, and by late April, over 600 have arrived in Japan. Perhaps most surprising was the provision of equipment and material from the SDF on March 8. While Japan determined it could not provide lethal aid, even the provision of nonlethal military supplies to a country at war was a surprising precedent for Tokyo. Ukrainian President Volodymyr Zelenskyy spoke to the Japanese Diet on March 23 to thank Japan for its support and to encourage more.

Russian aggression against Ukraine has prompted closer ties to Europe. The G7 forum has been a venue for designing sanctions and aid, but Japan has also been invited to participate in NATO deliberations. On April 7, Foreign Minister Hayashi attended the NATO Foreign Ministers meeting. En route to the NATO meeting, Hayashi also visited Poland from April 1–5 to discuss how Japan could help Poland’s efforts to resettle Ukrainian refugees. Similar aid is being considered for other nations on Ukraine’s border that are accepting the millions of Ukrainians leaving their country. In meetings with NATO and other fora, there has also been opportunity for Japan’s foreign minister and prime minister to argue that Russian aggression is not just a European problem but one that affects the global order. Certainly, this moment of major power war against a smaller neighboring nation has conjured up questions about what lessons Beijing may be drawing from the current conflict that could shape its decision making on Taiwan.

During Golden Week, members of the Kishida Cabinet also consulted with the Biden administration. On May 4, Defense Minister Kishi met with Secretary of Defense Austin to discuss the war in Ukraine and the alliance’s aims in the Indo-Pacific. Austin thanked Kishi for his role in the Ukraine Consultative Group, and both noted the worrisome Chinese maritime activities in the East and South China Seas. Taiwan remains a deep concern to alliance defense planners across the Indo-Pacific. The US and Japanese forces along with Australian forces have been exercising in the South China Sea and considering just such a contingency. More recently, the Financial Times reported that the US and UK have discussed contingency planning in case of the use of force across the Taiwan Strait.

Conclusion

President Biden will head to Japan and South Korea at the end of May, and his agenda will be full. A bilateral US-Japan meeting with Kishida is likely to address the ongoing review of the alliance and its future upgrades to deterrence. In Tokyo, expectations are high that the president will reaffirm the US commitment to Japan’s defenses, especially the US extended deterrent.

A new economic framework for the Indo-Pacific is also going to be announced, although disappointment remains in Japan that the US is not prepared to return to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Also, while the US president is in Tokyo, Prime Minister Kishida will host a Quad leaders’ meeting bringing Australian and Indian prime ministers together to discuss the progress of their working groups. India’s differences with the other Quad leaders over Russian aggression could once more be highlighted.

The inauguration of a new president in South Korea also seems to offer opportunity for improved trilateral ties between the US, Japan, and South Korea. There have been some positive signs that Japan and Korea will be developing a more constructive diplomatic effort to restore confidence and develop their cooperation. This will provide ample opportunity for President Biden, who will be traveling on to Seoul after his Tokyo meetings, to share his ideas for how to further deepen strategic cooperation among the US and its Asian allies. With North Korea seemingly preparing for more missile tests and perhaps even a nuclear test, this seems an opportune moment to solidify the trilateral security agenda, but it is also likely that greater cooperation on economic resilience could also prove helpful to all three nations.

The war in Ukraine will be high on the list of US-Japan priorities until peace is restored. Japan continues to keep pace with the US and European nations as sanctions grow and as the need for aid to the millions of Ukrainians who have fled their country increases. Prime Minister Kishida has been invited to the NATO Leaders’ meeting in June. This coalition of like-minded nations,
many of them treaty allies of the United States, formed to respond to military aggression by Russia, is already discussing how to deter Chinese aggression against Taiwan. During his visit to London during Golden Week, Kishida and UK Prime Minister Boris Johnson announced a new defense cooperation agreement that reveals the deepening of strategic ties with US allies in Europe, as did the consultations between German Chancellor Olaf Scholz and Kishida held during Sholz’s visit to Tokyo on April 28–29.

Elections loom later this year, however, and both the Japanese prime minister and US president will have their eyes on domestic politics as they navigate these increasingly complex geopolitics. For Kishida, the Upper House election in July requires deft handling if he is to make progress on the various challenging issues presented in his government’s strategic review. For Biden, the stakes may be higher. The midterm elections in the US are widely expected to produce a win for Republicans in Congress. But the recent controversy over the Supreme Court’s impending decision on abortion rights deepens the rift in US society will likely prove challenging for the Biden administration as the election approaches.
**CHRONOLOGY OF US-JAPAN RELATIONS**

**JANUARY—APRIL 2022**

**Jan. 5, 2022:** North Korea claims second successful test of a hypersonic missile.

**Jan. 5, 2022:** Foreign Minister Hayashi Yoshimasa and Secretary of State Antony Blinken speak by telephone.

**Jan. 7, 2022:** FM Hayashi and Raymond Greene, chargé d’affaires ad interim at the US embassy, sign the new Special Measures Agreement.


**Jan. 9, 2022:** Kishida places Okinawa and parts of Yamaguchi and Hiroshima prefectures under a quasi-state of emergency in response to the surging number of COVID-19 cases.

**Jan. 9, 2022:** US and Japan release a joint statement limiting the off-base movements of US Forces Japan personnel to essential activities only for two weeks.

**Jan. 11, 2022:** North Korea claims to have tested a missile that is more advanced than the hypersonic test a week earlier.

**Jan. 11, 2022:** US Special Representative for North Korea Policy Sung Kim holds separate calls with Director General for Asian and Oceanian Affairs Bureau Funakoshi Takehiro and Korean Special Representative for Korean Peninsula Peace and Security Affairs Noh Kyu-duk.

**Jan. 15, 2022:** North Korea tests railway-borne missiles.


**Jan. 20, 2022:** Governments of the US and Japan release a joint statement on the Treaty on the Non-Proliferation of Nuclear Weapons.

**Jan. 21, 2022:** President Biden and Prime Minister Kishida hold a US–Japan summit video teleconference. Readout.

**Jan. 21, 2022:** US Forces Japan announces that they will extend movement restrictions for an additional week.

**Jan. 25, 2022:** North Korea test-fires two long-range cruise missiles.

**Jan. 30, 2022:** North Korea test-fires an intermediate range ballistic missile.

**Jan. 30, 2022:** Special Representative for the DPRK Kim holds separate calls with Director General for Asian and Oceanian Affairs Bureau Funakoshi and Korean Special Representative for Korean Peninsula Peace and Security Affairs Noh.

**Jan. 31, 2022:** Movement restrictions on US Forces Japan expire.

**Feb. 1, 2022:** Secretary Blinken and FM Hayashi speak by telephone.

**Feb. 1, 2022:** Deputy Secretary of State Wendy Sherman, Vice Foreign Minister Mori Takeo, and Korean First Vice Foreign Minister Choi Jong-kun speak by telephone.

**Feb. 2, 2022:** Foreign Minister Hayashi and Secretary of State Blinken speak by telephone.

**Feb. 11, 2022:** Secretary of State Blinken, FM Hayashi, Australian Minister for Foreign Affairs Marise Payne, and Indian External Affairs Minister Subrahmanyam Jaishankar hold Fourth US-Japan–Australia–India (Quad) Foreign Ministers’ Meeting in Melbourne. Joint Statement.

**Feb. 11, 2022:** Secretary of State Blinken and FM Hayashi hold bilateral meeting on the sidelines of the Quad Foreign Ministers’ Meeting in Melbourne.
Feb. 12, 2022: Secretary of State Blinken, FM Hayashi, and Korean Foreign Minister Chung Eui-yong hold a trilateral meeting in Honolulu.

Feb. 15, 2022: Deputy Secretary of State Sherman and Vice FM Mori speak by telephone.

Feb. 19, 2022: G7 Foreign Ministers release a joint statement on Russia and Ukraine.

Feb. 24, 2022: Russia launches an invasion of Ukraine.

Feb. 26, 2022: Foreign Minister Hayashi and Secretary of State Blinken speak by telephone.

Feb. 26, 2022: North Korea test-fires a ballistic missile.

Feb. 26, 2022: Special Representative for North Korea Policy Kim holds separate calls with Director General for Asian and Oceanian Affairs Bureau Funakoshi and Korean Special Representative for Korean Peninsula Peace and Security Affairs Noh.

Feb. 27, 2022: Japan announces financial sanctions against Russia.

March 1, 2022: Director General of the Economic Affairs Bureau Ono Keiichi, Director General of the Trade Policy Bureau Matsuo Takehiko, and Assistant US Trade Representative Michael Beeman hold the first meeting of the Japan-US Partnership on Trade.

March 1, 2022: Shell pulls out of international consortia at Sahkhalin-2, which extracts LNG.

March 4, 2022: North Korea test-fires a ballistic missile.

March 4, 2022: Special Representative for North Korea Policy Kim holds separate calls with Director General for Asian and Oceanian Affairs Bureau Funakoshi and Korean Special Representative for Korean Peninsula Peace and Security Affairs Noh.

March 4, 2022: G7 Foreign Ministers release a joint statement on Russia and Ukraine.

March 8, 2022: Japan’s SDF delivers nonlethal military supplies to Ukraine.


March 14, 2022: Special Representative for North Korea Policy Kim, Director General for Asian and Oceanian Affairs Bureau Funakoshi, and Korean Special Representative for Korean Peninsula Peace and Security Affairs Noh speak by telephone.

March 21, 2022: US, Japan, and Australia participate in third OECD-hosted Blue Dot Network Executive Consultation Group meeting.

March 23, 2022: Ukrainian President Volodymyr Zelenskyy speaks to the Japanese Diet.

March 24, 2022: President Biden and PM Kishida meet on sidelines of the G7 Summit in Belgium.

March 24, 2022: Secretary Blinken and FM Hayashi speak by telephone.

March 24, 2022: North Korea test-fires its first intercontinental ballistic missile since 2017.

March 24, 2022: Special Representative for North Korea Policy Kim holds separate calls with Director General for Asian and Oceanian Affairs Bureau Funakoshi and Korean Special Representative for Korean Peninsula Peace and Security Affairs Noh.

March 24, 2022: Deputy Secretary of State Sherman, Vice FM Mori, and Korean First Vice FM Choi speak by telephone.

March 24, 2022: Foreign ministers of the US, Japan, Canada, France, Germany, Italy, Norway, the UK, and the High Representative of the European Union release a joint statement on the Taliban’s decision to deny Afghan girls the right to an education.

March 25, 2022: Japan’s Parliament approves a new host nation support budget of ¥1.05 trillion ($8.6 billion) over five years.
March 25, 2022: G7 Foreign Ministers release a joint statement on North Korea’s launch of an intercontinental ballistic missile.

March 26, 2022: PM Kishida and US Ambassador to Japan Rahm Emanuel meet in Hiroshima.

April 1, 2022: New Special Measures Agreement enters into force.

April 1–5, 2022: FM Hayashi visits Poland to discuss resettling Ukrainian refugees.

April 2, 2022: State Department Counselor Derek Chollet meets Senior Deputy Foreign Minister Yamada Shigeo during his visit to Tokyo.

April 7, 2022: G7 Foreign Ministers release a joint statement on Russia’s war of aggression against Ukraine.

April 7, 2022: FM Hayashi attends the NATO Foreign Ministers’ Meeting.

April 7, 2022: FM Hayashi and Secretary Blinken meet on the sidelines of the NATO Foreign Ministers’ Meeting and G7 Foreign Ministers’ Meeting in Belgium.

April 8, 2022: Kishida announces that Japan will end coal imports from Russia.

April 12, 2022: Assistant Secretary of State for Consular Affairs Rena Bitter travels to Tokyo.

April 14, 2022: Vice FM Mori and Deputy Secretary of State Sherman speak by telephone.

April 16, 2022: North Korea test-fires two short-range missiles.

April 26, 2022: LDP releases a report following its strategic review.

May 3, 2022: Former Defense Minister Onodera Itsunori and LDP Foreign Affairs Chief Sato Masahisa present the conclusions of the LDP’s strategic review at CSIS.

May 4, 2022: Defense Minister Kishi and Secretary of Defense Austin meet in Washington, DC.