



## PROSPECTS FOR JAPAN'S US AND CHINA DIPLOMACY IN THE POST-ISHIBA ERA

Daiju Wada

# About the Author

---



## DAIJU WADA

**Daiju Wada** is an international political scientist, and President & CEO of Strategic Intelligence Inc. He is a Lecturer at Seiwa University. His areas of expertise include international security studies, economic security, and geopolitical risk analysis.

Cover image: Vitaly Sosnovsky / shutterstock.com

---

The views expressed in this report are those of the author(s) alone. They do not necessarily reflect the views of the Toda Peace Institute. An online edition of this and related reports and policy briefs can be downloaded on our website: [toda.org/policy-briefs-and-resources.html](https://toda.org/policy-briefs-and-resources.html)



Toda Peace Institute  
Samon Eleven Bldg. 5F,  
3-1 Samon-cho, Shinjuku-ku  
Tokyo 160-0017, Japan

Tel. +81-3-3356-5481  
Fax. +81-3-3356-5482  
Email: [contact@toda.org](mailto:contact@toda.org)

© 2025 Toda Peace Institute

# Introduction

---

With Prime Minister Shigeru Ishiba announcing his resignation on September 7, 2025, Japan's political landscape has swiftly shifted into campaign mode for the next Liberal Democratic Party (LDP) leadership election. The outcome of this election will not only mark a turning point in domestic politics but also significantly impact Japan's core diplomatic relations with the United States and China. The Ishiba administration, which lasted less than a year, was forced to step down due to weak party unity following its victory in the 2024 leadership election, compounded by consecutive losses in the general election, Tokyo metropolitan election, and House of Councillors election. Known as a defense policy expert and backed by rural and regional support, Ishiba's failure to reinvigorate economic policy and reorganize party factions proved fatal. The upcoming leadership election is scheduled for announcement on September 22 and voting on October 4, with leading candidates including Sanae Takaichi (former Economic Security Minister), Shinjiro Koizumi (Agriculture, Forestry, and Fisheries Minister and son of former Prime Minister Junichiro Koizumi), Yoshimasa Hayashi (Chief Cabinet Secretary), Toshimitsu Motegi (former Foreign and Economic Affairs Minister), and Takayuki Kobayashi (former Economic Security Minister). The key question in analyzing these candidates' policy inclinations is whether Japan will maintain its centrist-conservative balanced diplomacy or see a rise in hardline conservative policies.

Centrist conservatives prioritize pragmatic international cooperation, aiming to balance economic interests with security concerns. In contrast, hardline conservatives emphasize historical revisionism and defense enhancement, likely prioritizing containment of China. This choice will determine Japan's positioning amid intensifying US-China great power competition. During the 2024 leadership election, Ishiba's platform emphasized deepening the Japan-US alliance while maintaining dialogue with China, and the next administration will need to refine this approach.

This policy brief aims to assess the likely diplomatic trajectories of Japan in the post-Ishiba era by examining the centrist vs. hardline conservative orientations. It evaluates how these choices will affect Japan's relations with China, the United States, and the broader region.

## Ishiba's diplomacy and its future trajectory

---

Reflecting on the international situation in 2025, the re-emergence of the Trump administration has brought a resurgence of 'America First' policies and renewed US-China trade tensions. China, facing economic slowdown, is simultaneously pursuing domestic demand expansion and military buildup, forcing Japan to navigate a delicate strategic balance between the two powers. In this context, the upcoming LDP leadership election is not merely a party leadership contest but a critical moment for redefining Japan's diplomacy. A closer look at the candidates' past statements and policy records reveals distinct approaches. Takaichi, known for supporting Yasukuni Shrine visits and advocating for increased defense spending, appeals to conservative voters. Koizumi, a young leader, leverages environmental diplomacy for flexibility, while Hayashi, with his foreign ministerial experience, emphasizes multilateralism. Motegi, a trade negotiation veteran, focuses on economic security, and Kobayashi has advanced supply chain diversification as Economic Security Minister. These differences will shape the nuances of Japan's US and China policies.

Looking back at the Ishiba administration's diplomatic legacy, it pursued a balanced approach, maintaining the Japan-US alliance as its foundation while preserving economic ties with China. During a February 2025 visit to the US, discussions focused on deepening military cooperation and economic security, reaffirming the alliance's importance. Specific agreements included expanding joint cybersecurity exercises and quantum technology research, fostering trust with the Trump administration. Despite US demands for increased defense contributions under its 'America First' policy, Ishiba committed to achieving a defense budget of 2 per cent of GDP, alleviating US concerns. Meanwhile, relations with China saw progress in economic cooperation agreements and expanded technical exchanges in specific fields. This diplomacy reflected a liberal

perspective prioritizing East Asian stability and earned some US support. Notably, efforts to improve Japan–South Korea relations played a crucial role in countering North Korea and China. A Japan–South Korea summit in early 2025 sidelined historical disputes to strengthen economic and security cooperation, establishing a trilateral information-sharing framework. This bolstered the US–Japan–South Korea triangle, enhancing deterrence against North Korean missile threats. However, some US voices expressed concerns over Japan’s deepening economic ties with China, highlighting tensions with the US’s China containment strategy. Nevertheless, Ishiba’s diplomacy functioned as a pragmatic choice, maintaining deterrence while avoiding escalation, such as through joint US–Australia monitoring operations in the South China Sea. This legacy provides a foundation for the next administration, but the unpredictability of Trump’s policies, such as resuming high tariffs on China, will test Japan’s flexibility. A key weakness of the Ishiba administration was criticism from conservative party factions, with figures like Takaichi denouncing its China dialogue as “soft” and demanding robust defense enhancements, contributing to Ishiba’s resignation.

Classifying the leadership candidates in this context, centrist conservatives include Shinjiro Koizumi, Toshiimitsu Motegi, and Yoshimasa Hayashi. Koizumi, leveraging environmental policy and youth-oriented reforms, emphasizes flexible international cooperation. His 2024 campaign highlighted climate change-driven multilateral diplomacy, likely to be continued if he takes power. Drawing on his father Junichiro Koizumi’s era of structural reform and alliance strengthening, Shinjiro would modernize this approach, promoting international collaboration on green technology, such as proposing US–Japan renewable energy projects to leverage climate change as diplomatic capital. Motegi, with extensive experience as Foreign and Economic Affairs Minister, would prioritize economic diplomacy to strengthen US ties. His track record in TPP negotiations suggests he would advance the Indo–Pacific Economic Framework (IPEF) to reduce reliance on China. Motegi’s strength lies in navigating US–China trade friction, potentially safeguarding Japanese corporate interests in 2025 tariff negotiations with the Trump administration. Hayashi, as Chief Cabinet Secretary, has coordinated domestic and foreign policy, offering stable diplomatic management. His past statements indicate a balanced approach, prioritizing US alliance ties while maintaining economic dialogue with China.

Conversely, Sanae Takaichi represents the hardline conservative faction, advocating historical revisionism and a tough stance on China. Her 2024 campaign proposed reviewing Japan’s non-nuclear principles and proactive China sanctions, signaling a potential diplomatic turning point if she wins. Kobayashi, as a former Economic Security Minister, aligns closely with conservatives, pushing for stricter technology regulations against China. This candidate diversity symbolizes a potential shift in Japan’s diplomacy. Examining the leadership election’s endorsement lists, Takaichi enjoys strong conservative support, Koizumi appeals to younger members, and Hayashi consolidates moderate factions. The outcome hinges on party member votes, with Takaichi’s strong 2024 performance drawing attention.

## Japan–US relations outlook

---

The Ishiba administration’s US diplomacy centred on strengthening the Japan–US alliance through deepened military cooperation and economic ties. The 2025 summit secured agreements on cybersecurity and advanced technology collaboration, modernizing the alliance. With the Trump administration’s return, the US demanded greater allied contributions, and Japan met this by committing to a 2 per cent GDP defense budget. While Japan’s economic ties with China occasionally diverged from US containment strategies, the US broadly viewed Japan’s approach as a pragmatic balance. Improved Japan–South Korea relations were a boon for US East Asian security frameworks, with the June 2025 US–Japan–South Korea joint exercise establishing rapid-response mechanisms against North Korean missile threats, reflecting Ishiba’s defense expertise.

If a centrist conservative like Koizumi or Motegi leads the next administration, Ishiba’s approach is likely to continue. Koizumi would leverage environmental diplomacy, expanding US–Japan cooperation on climate change, such as joint renewable energy investments or AI ethics standards. His youth and charisma could foster personal trust with the Trump administration. Motegi, a trade expert, would deepen economic alliances through TPP and IPEF, restructuring semiconductor supply chains with US leadership. His TPP experience positions him to counter Trump’s tariff policies with free trade frameworks. Hayashi would maintain stable US relations while preserving economic channels with China, potentially facilitating US–China summits in 2025.



This scenario minimizes US–Japan friction, advancing cooperation in semiconductors and quantum computing. The US welcomes Japan’s South Korea rapprochement, leveraging it for regional stability. However, Japan must diversify economic dependencies, strengthening ties with ASEAN and India to mitigate China risks. Expanding the Quad (US, Japan, Australia, India) and joint initiatives will reinforce alliances. Conversely, a Takaichi-led hardline conservative government presents both opportunities and risks. Her alignment with US containment policies, including Yasukuni visits and defense hikes, would accelerate military cooperation, such as expanded Indo-Pacific joint exercises or Taiwan contingency planning. Her 2024 proposal to review non-nuclear principles could spark US–Japan nuclear-sharing discussions. Kobayashi would align with US technology restrictions, bolstering supply chain collaboration.

However, this approach risks straining Japan–South Korea ties, as Takaichi’s Yasukuni visits could provoke South Korea’s Lee Jae-myung administration, undermining recent cooperation. This would weaken US–Japan–South Korea trilateral frameworks, complicating US regional strategies. Hardline nationalism could also fuel debates on autonomous defense or nuclearization, potentially escalating Chinese and North Korean military buildups, destabilizing East Asia. Since the US relies on its nuclear umbrella to maintain regional hegemony, Japan’s nuclear ambitions could conflict with US interests. Thus, a hardline government offers short-term containment benefits but risks long-term regional instability.

The next administration must redefine US relations. Centrist conservatives should minimize friction through flexible adjustments and economic diversification, while hardliners must balance US expectations with Japan–South Korea relations and restrain nuclear debates. The Japan–US alliance remains the cornerstone of Japan’s diplomacy, and its reinforcement is critical for regional stability. Given 2025’s US–China tensions, joint cyber defense networks and economic security law revisions are urgent. Indirect AUKUS participation and Okinawa base realignment will enhance alliance credibility. Experts recommend multilateralism to hedge against Trump’s unpredictability.

## Japan–China relations outlook

---

Ishiba’s China diplomacy prioritized economic cooperation while maintaining security vigilance. Advancing economic agreements and technical exchanges reflected Japan’s corporate reliance on China, while US and ASEAN partnerships countered Chinese military actions in the South and East China Seas. This balance stabilized Japan–China relations but faced dilemmas amid US–China tensions. The April 2025 Japan–China Economic Forum agreed on EV battery cooperation, though US technology restrictions posed challenges. With China’s GDP growth slowing (projected at 4 per cent in 2025), Japan faced pressure to diversify supply chains.

A centrist conservative government under Koizumi or Motegi would likely continue this balanced approach. Koizumi would use environmental diplomacy, promoting Japan–China climate cooperation (e.g., renewable energy technology sharing) to maintain economic ties. His 2024 platform proposed joint green infrastructure projects to counter China’s Belt and Road Initiative while preserving interdependence. Motegi, leveraging trade expertise, would balance investment regulations with technology protection, using IPEF to partially engage China in rule-making. His past negotiations suggest pursuing Japan–China FTA renegotiations to ease tariff friction. Hayashi would manage tensions through dialogue, maintaining stability while reinforcing US alliance ties and avoiding Yasukuni visits to prevent historical disputes.

However, intensified US anti-China policies could trap Japan between economic interests and security demands. Centrist conservatives must skillfully bridge US–China divides, using IPEF to integrate China into rule-based economic frameworks. Given China’s economic slowdown, Japan should accelerate supply chain diversification to Vietnam and India, mandating risk assessments for China investments. A Takaichi-led hardline government risks heightened tensions. Her Yasukuni support and anti-China rhetoric could rekindle historical disputes, prompting Chinese retaliation, such as summit cancellations or economic sanctions, reminiscent of Junichiro Koizumi’s era. Japan’s auto and electronics industries could face investment restrictions or boycotts, sharply reducing trade.

On security, a Takaichi government would strengthen US alliances, Quad, and AUKUS to counter China's military expansion, escalating tensions around the Senkaku Islands. China may respond with increased military presence, destabilizing the region. Economically, aligning with US technology restrictions would cool Japan–China trade, with China potentially retaliating via rare earth export limits or Japanese product exclusions. Taiwan issues could become a flashpoint, with increased Chinese military exercises.

This scenario risks broader Northeast Asian instability, with heightened Taiwan and South China Sea tensions fueling an arms race. Even a hardline government must maintain economic dialogue channels to avoid full decoupling. Chinese experts warn that Takaichi's approach could backfire, with economic sanctions potentially reducing both nations' GDP by 1–2 per cent.

However, Komeito, the LDP's longstanding coalition partner, has consistently emphasised the need to uphold a centrist–conservative approach to diplomacy. Komeito has stated that it would be difficult to sustain the coalition if the LDP were to pursue a hardline conservative course. Should Takaichi win, the LDP would likely be compelled to seek new coalition partners. While it could be argued that her political stance is not entirely incompatible with parties such as Sanseito, which advocates a 'Japan First' approach, forming such a coalition in practice would involve significant challenges once she assumed the LDP presidency. Given the proven stability of cooperation with Komeito, the most realistic course of action would likely be to maintain the existing coalition with Komeito. Doing so, however, would inevitably require Takaichi to restrain her more hardline positions.

## Policy Recommendation: Diplomatic Posture for the Next Administration

---

In the post-Ishiba era, the choice between continuing centrist conservatism or adopting hardline conservatism will shape Japan's diplomatic trajectory. A centrist conservative government must maintain US alliances, preserve China economic ties, and manage Northeast Asian tensions. Deepening Japan–South Korea cooperation, sidelining historical disputes, is critical for countering North Korea, with regular trilateral summits and joint exercises. Economic security requires reducing China dependency, leveraging Ishiba's technical exchange legacy while promoting domestic critical technology production. Partnerships with India and Taiwan in semiconductors and biotech will enhance supply chain resilience. Japan should lead IPEF to integrate China into a rules-based economic order, balancing economic gains with security. Koizumi's environmental diplomacy could engage China in climate summits for trust-building.

A hardline conservative government requires greater balance to avoid worsening security environments. Containing Yasukuni issues, sustaining US alliances, and continuing China economic dialogue are essential. Japan must craft an independent China strategy to propose to the US, such as partially engaging China in economic security frameworks to lead regional rule-making. Defense spending should target 2 per cent of GDP, but nuclear debates must respect the US nuclear umbrella. For Taiwan contingencies, Japan should deepen unofficial US–Japan–Taiwan ties while maintaining China hotlines to avoid accidental clashes.

Regardless of leadership, Japan must carve out a unique role amid US–China competition, balancing economic and security interests to contribute to regional stability. The 2025 leadership election, driven by party member votes, will test this balance. Given Takaichi's strong 2024 performance, a conservative surge is plausible, but public expectations lean toward pragmatic continuity.



## THE TODA PEACE INSTITUTE

The Toda Peace Institute is an independent, nonpartisan institute committed to advancing a more just and peaceful world through policy-oriented peace research and practice. The Institute commissions evidence-based research, convenes multi-track and multi-disciplinary problem-solving workshops and seminars, and promotes dialogue across ethnic, cultural, religious and political divides. It catalyses practical, policy-oriented conversations between theoretical experts, practitioners, policymakers and civil society leaders in order to discern innovative and creative solutions to the major problems confronting the world in the twenty-first century (see [www.toda.org](http://www.toda.org) for more information).

## CONTACT US

### **Toda Peace Institute**

Samon Eleven Bldg. 5 th Floor  
3-1 Samon-cho, Shinjuku-ku, Tokyo 160-0017, Japan

### **Email**

[contact@toda.org](mailto:contact@toda.org)

### **Sign up for the Toda Peace Institute mailing list**

<https://toda.org/policy-briefs-and-resources/email-newsletter.html>

### **Connect with us on the following media.**

YouTube: [@todapeaceinstitute3917](https://www.youtube.com/@todapeaceinstitute3917)

X (Twitter): <https://twitter.com/TodaInstitute>

Facebook: <https://www.facebook.com/TodaInstitute>