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Takaichi wins early victory in summit with Trump

Key takeaways

- Prime Minister Takaichi Sanae successfully navigated an early summit with US President Donald Trump, showing that she could recapture some of the rapport that the late Abe Shinzō had with the US president.
- In practical terms, the summit showed that despite some of the challenges in concluding a trade agreement, the two allies continue to work closely on a range of issues and the US remains Japan's most important security partner – though sources of friction remain present.

Prim Minister Takaichi Sanae welcomed US President Donald Trump to Japan on Tuesday, 28 October, surviving an important early test of her premiership. The summit accomplished three goals for the new prime minister.

A reset with Trump

First, Takaichi effectively achieved a strategic reset in the US-Japan relationship. Former prime minister Ishiba Shigeru struggled to forge a good rapport with Trump and was left with the unpleasant task of negotiating with the Trump administration to lower tariffs. With the trade negotiations concluded, Takaichi has the opportunity to start fresh. While there was anxiety over having to host a presidential visit so soon after a change of cabinet, the early visit gave Takaichi an early opportunity to signal to the public that her government would be different, starting with the relationship with the US.

In brief remarks to the press at the start of the summit – there was no joint press conference after the meeting – the two leaders appeared to have a meaningful rapport, not least due to shared affection for the late Abe Shinzō. Trump congratulated Takaichi on becoming Japan's first female prime minister and said that he expects she will be one of Japan's great prime ministers, a more fulsome endorsement than her

predecessor Ishiba Shigeru had received when he met with Trump. In their joint appearance at the USS George Washington, Trump referred to her as a “winner” and said that they had “become close friends.” Takaichi, meanwhile, practiced the “flattery diplomacy” that often worked for Abe, opening the summit by declaring she would nominate Trump for the Nobel Peace Prize. Simply put, the optics of the relationship were very different from Ishiba’s limited interactions with the US president.

A normal summit

In substantive terms, Takaichi’s greatest achievement may have been conducting a routine summit with the US President. Trump publicly endorsed her plans to raise defense spending – Takaichi told the press after the summit that there was “no discussion focused specifically on numerical targets” – and touted the importance of the US-Japan relationship. While Japan still has to grapple with anxieties about the Trump administration’s priorities – its preoccupation with the Western Hemisphere and domestic issues more broadly – and the prospect that the US administration could be seeking “grand bargains” with China, Russia, and North Korea that would leave Japan less secure, in the near term Tokyo can take some comfort in Trump’s rhetoric about the bilateral relationship, which he called “the foundation of peace and security in the Pacific.” The Takaichi government will press ahead with its plans to strengthen Japan’s autonomous capabilities assured that the US is still acting as a security guarantor.

Meanwhile, the summit also yielded a broad if vague framework agreement on supply chains for critical minerals and rare earths; inked new memoranda of cooperation on shipbuilding and to support collaboration on the development of advanced technologies, particularly AI, but also space, biotechnology and pharmaceuticals, and fusion energy; and took steps towards fleshing out the investment framework of the US-Japan trade deal. The Trump administration is still looking to Japan as a critical player in strengthening economic security and reducing its dependence on China in critical areas.

Medium-term challenges

To be sure, there remains the potential for friction in areas that could impact Takaichi’s most important priorities. Most notably, US Treasury Secretary Scott Bessent, in a meeting with Finance Minister Katayama Satsuki, stressed the importance of “sound monetary policy formulation,” noting the differences between current circumstances and the conditions that prevailed at the launch of Abenomics in 2012-2013. Bessent has repeatedly indicated in meetings with his Japanese counterparts his concerns that the Bank of Japan may be moving too slowly to normalize interest rates, weakening the yen in foreign exchange markets. In other words, while Takaichi may prefer that the BOJ keeps rates lower for longer – giving her government more room to perform a fiscal policy-led growth strategy – this could be a source of tension with Washington.

In his meetings with Katayama Bessent also reportedly pressed the Japanese government to phase out energy imports from Russia as the US imposes new sanctions on Russia’s energy exports; Commerce Secretary Howard Lutnick, for example, has

suggested that Japan could invest in the Alaska liquefied natural gas (LNG) pipeline project. Tokyo has resisted demands to phase out its purchases from Russia – both in the interest of maintaining diversity in LNG supplies, a strategic priority, and also keeping the door open for a strategic reset with Moscow – but Bessent’s pressure on this point suggests that the issue could remain a sticking point.

Third, while the two governments have reaffirmed the trade agreement concluded in July, they are still hammering out the details of how the process of identifying projects, providing financing, and distributing proceeds will work. The US government outlined some projects that Japanese companies could be committed to, but Japanese public financial institutions and businesses are still seeking clarity on how the investment framework will work. The mood coming out of the summit suggests that both governments will make a good-faith effort to implement the agreement, but the risk of friction – and the threat that the US could reimpose higher tariffs if it believes that Japan has not fulfilled its commitments – remains.

Finally, although Takaichi received Trump’s endorsement of her efforts to raise Japan’s defense spending to 2% of GDP and, presumably, beyond, the new prime minister has by no means forged a domestic consensus in favor of higher defense spending or how to pay for it. Naturally, Takaichi may be hoping to use US pressure to win the argument, but the fact is that the LDP struggled to forge a consensus on how to fund increasing defense spending to 2% of GDP at a time when the LDP-led government commanded majorities in both houses of the Diet. Now, Takaichi will be trying to push for higher defense spending when she is dependent on Ishin no Kai, a party that has opposed tax increases for virtually any reason, to manage the Diet. To deliver on this promise, she will have to navigate between political constraints and macroeconomic constraints, since the consequences of using deficit spending to increase defense budgets could lead to friction with the BOJ, the Finance Ministry, and the US, not to mention potentially adverse market reactions.

Accordingly, even if Takaichi managed to repair some of the damage that Trump’s tariffs and the subsequent negotiations did to Japan’s trust in the United States, the fact remains that with the Trump administration determined to change the terms of US engagement with the world – unwinding or rebalancing “unfair” deals with allies and trading partners – Washington and Tokyo may not always get along as easily as Trump and Takaichi appeared to do on Tuesday.

Tobias Harris

Founder and Principal
Japan Foresight LLC
tobias@japanforesight.com
+1.847.738.4048