

The Way Forward to Build Up the Japan-South Korea Rapprochement

By Shihoko Goto

Since the election of South Korean President Lee Jae Myung in June 2025, relations between Japan and South Korea have been riding a rising tide of optimism. The positivity has been reflected across all levels, from the personal connection between the leaders of the two countries to improved public sentiment on both sides. At first blush, both Tokyo and Seoul appear to have adhered to the spirit of the 2023 trilateral Camp David summit by carrying on the commitment to institutionalize greater cooperation, especially in confronting the rapidly changing realities of the Indo-Pacific as like-minded partners. The immediate concern had been whether that momentum for partnership would be sustainable under the leadership of Japan's new prime minister, Sanae Takaichi, who took office in October 2025. A week into taking office, foreign policy rose to the top of Takaichi's political agenda as she not only headed to Malaysia to attend the Association of Southeast Asian Nations (ASEAN) summit meeting, but also hosted U.S. President Donald Trump in Tokyo for her first meeting with him as prime minister, and then traveled to the Asia-Pacific Economic Cooperation (APEC) summit in Gyeongju, where she met with President Lee for the first time as premier.

Seoul initially had concerns about the future of Japan-South Korea relations because Takaichi has been a more conservative politician throughout her career, having first won office as an independent candidate in 1993. She has served in key posts throughout the decades, including as Minister in charge of Economic Security from 2022 to 2024. But even though she has won the leadership of Japan's biggest political party at a time when it had recently suffered a significant defeat, it is worth bearing in mind that the Liberal Democratic Party (LDP) remains the most powerful party and has played a pivotal role in defining Japan's postwar trajectory and institution. What's more, she is succeeding fellow LDP leaders, including Shigeru Ishiba, Fumio Kishida, and Yoshihide Suga. Building on their legacies of seeking to improve bilateral relations with South Korea would therefore not only align with Japan's national interest but also echo the vision that had been supported by the LDP itself. As such, the expectation is that even under a new leader, Japan's commitment to building upon improved bilateral relations will remain unshaken, but how it is demonstrated and prioritized could shift. Still, the momentum to improve ties and build trust between two of the Indo-Pacific's biggest economies should remain at the top of the foreign policy agenda for both sides as they face growing regional security and economic uncertainties. The question is whether the political will between the two countries

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can remain strong and inspire broader optimism in the face of persistent tensions over history and territorial claims.

The long list of positive developments certainly cannot be underestimated, starting with the leadership. There was a collective sigh of relief in Tokyo since Lee took office, as he held off from realizing his fiery rhetoric toward Japan from the campaign trail. In seeking office, Lee had been critical of his impeached predecessor Yoon Suk Yeol's more conciliatory tone toward Japan as well as his focus on enhancing U.S.-Japan-South Korea trilateral relations. Certainly, his Democratic Party of Korea (DP) had made a point of distinguishing itself from Yoon's People Power Party (PPP) on the foreign policy front by being more critical of the Yoon administration's push to align Seoul more closely with Tokyo and Washington.

Yet even as a candidate in a tough and extraordinary election campaign, Lee made clear that solid relations with Japan were the way forward for South Korea, stating during his bid that "Japan is a neighboring country, and we must cooperate with each other to create synergy."¹ Nevertheless, officials in Tokyo were only fully reassured when Lee made good on his comments emphasizing the need to work together with Japan moving forward. While President Trump was the first foreign leader that the newly elected president of South Korea telephoned officially, Prime Minister Ishiba was second on the call list, with both leaders agreeing to build up their relations amid growing strategic challenges worldwide.²

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The changing geopolitical landscape and rising risks to stability are undoubtedly bringing both Japan and South Korea closer together, and President Lee made clear the need for greater cooperation with his Japanese counterpart by making a point of visiting Japan for his first foreign visit since taking office. With both Japan and South Korea sharing a deep commitment to protocol as an integral part of diplomacy, the fact that Lee chose to meet with Ishiba in person first, before his initial meeting with Trump in August, spoke volumes about the importance of looking forward and joining forces in confronting the headwinds to regional stability. Both Tokyo and Seoul made a concerted effort to promote the bilateral meeting as a win for both sides, and the two leaders stated at their joint press conference that Japan and South Korea would work together to deepen ties and promote stable relations.³

Takaichi has also made improving relations with South Korea a foreign policy priority, meeting with Lee on the sidelines of the APEC summit in late October only days after taking office. The significance of the two leaders prioritizing a face-to-face meeting was not lost, and their intent to focus on shared challenges, including security and trade concerns, has set the tone for a more forward-looking relationship between the two countries.⁴ The focus on the future has prevailed even in commemorating the past. At a reception hosted by the Embassy of South Korea in Tokyo to commemorate sixty years since the normalization of relations between the two countries, then Prime Minister Ishiba reflected the mood in Japan as he declared that he felt "optimistic about the future" as tourism between Japan and South Korea continued to reach record levels.⁵ Coupled with a rise in confidence for bilateral relations on both sides, according

to numerous public opinion polls, including Japan's latest Cabinet Office poll, the prospects for cooperation between Tokyo and Seoul are markedly improving.⁶ That bodes well for the security and economic outlook of Northeast Asia as the regional order of the Indo-Pacific faces fundamental shifts, not least in light of the growing ties between China, Russia, and North Korea on the one hand and a United States that is increasingly hesitant to act as a regional stabilizer on the other.

Limitations of Adapting Bilateral Ties to Rapid Geopolitical Shifts

The urgency for greater cooperation and coordination on the economic, security, and diplomatic fronts between Tokyo and Seoul is clear. Yet the risks of backsliding persist, especially given the political realities of both sides. Given the risks facing both Japan and South Korea, Takaichi is expected to remain committed to following a roadmap for stability and growth for which South Korea will remain a critical partner. Indeed, in announcing her candidacy as party leader last year, Takaichi emphasized the importance of good relations with South Korea and building upon improved ties.⁷ Since taking office, Takaichi has focused on delivering on that promise of addressing the need to have strong relations not only with her Korean counterpart, but also to elevate Japan's need to maintain strong relations with South Korea.

Prospects for Economic Alliances

President Lee's decision to make Japan his first foreign country visit was a major milestone in Japan-South Korea relations. It reaffirmed the importance of bilateral relations for South Korea and boosted public confidence in the sustainability of continued commitments to stronger ties even under new leadership on both sides. That commitment should not waver even under new Japanese leadership.

After all, both Japan and South Korea are facing similar challenges in navigating the seismic shifts in global trade rules, as exports remain a key part of their economic growth strategies. Exports account for approximately 20 percent of Japan's GDP, compared to over 40 percent for South Korea, with the United States making up about one-fifth of total exports for both countries. As such, both have faced similar challenges in negotiating trade agreements with Washington. Since April 2, when the United States announced a 10 percent baseline tariff on all imports as well as reciprocal tariffs of 15 percent on both Japan and South Korea, the leaders of both countries have been grappling with reaching a more favorable deal with the United States. The question is whether their shared challenges can lead to greater strategic cooperation to boost their economic resilience and withstand changes to the trading order that both countries have benefited from over the past decades.

As the first country to negotiate a tariff agreement with the United States in late April, Japan's approach to dealing with the Trump administration has been closely monitored by advanced economies in a similar situation, including South Korea.⁸ Japan and the United States reached a deal in late July, but with no formal agreement in writing, the deal did little to reassure Japanese politicians and voters alike, especially given the seeming misinterpretation of the deal by both

sides.⁹ Indeed, reaching a deal with the United States with no signed agreement that led to different interpretations on both sides had been a concern facing most other countries, with the exception of the United Kingdom. Japan, though, did achieve greater clarity on September 4, when Japan and the United States signed a document to implement the July 22 agreement.¹⁰

The initial Japanese response to the latest September U.S.-Japan trade agreement, however, has been that of cautious optimism. On the one hand, Japanese observers have certainly heralded greater clarity on tariff rates, most notably the reduction of auto tariffs to 15 percent from the initial proposed rate of 27.5 percent, as a win for Japan. Nevertheless, there is persistent wariness in Japan about broader trade relations with the United States beyond tariff rates, a wariness shared with other advanced economies. Like South Korea, Japan is expected to increase its imports of U.S. goods, most notably by increasing U.S. rice imports by 75 percent and purchasing U.S. commercial aircrafts as well as defense equipment. At the same time, the United States has made clear that should those import targets not be met, Japan could face the possibility of increased tariff rates once again. Japan's tariff rate with the United States remains on a knife's edge and could be subject to a permanent review, according to U.S. Treasury Secretary Scott Bessent.

Meanwhile, both Japan and South Korea are under pressure to meet U.S. expectations for greater investments to bolster the U.S. economy and to provide foreign direct investment (FDI) to critical industries, including semiconductors, pharmaceuticals, and infrastructure. There is, however, a continued lack of clarity about the extent to which such investments would benefit the country providing the capital. For Japan, the U.S. expectation of USD 550 billion in FDI, along with conflicting interpretations of how that investment will be made, has been one of the biggest sources of conflict with the United States over trade.¹¹ The September U.S.-Japan trade agreement did not, however, provide details as to how Japan and the United States will move forward in executing the massive FDI infusion; in fact, it actually added another element of concern as the White House stated that it would establish a selection committee represented solely by U.S. members to determine the allocation of the Japanese FDI. Meanwhile, how the voices of Japan's private sector will be reflected in the FDI roadmap remains murky, even though private companies will ultimately drive investments. Incorporating the interests of the private sector into broader trade negotiations is a challenge that is not unique to Japan, and so all advanced economies will be closely watching how Japan moves forward in building a private-public partnership in the new global trading reality.

Meanwhile, Japan's current priority is to delve into the details in order to move forward with implementing the U.S.-Japan trade agreement while protecting its own national interests. What is clear is that the days when Japan encouraged the United States to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) multilateral trade agreement are gone and unlikely to return. During the first Trump administration and throughout the Joe Biden administration, Japan had been at the forefront of encouraging the United States to join the CPTPP ever since the first Trump administration left the original Trans-Pacific Partnership

(TPP) agreement. Now, though, it is unlikely that the United States would have interest in joining such a framework either under the Republicans or the Democrats, even after January 2029.

Yet the value of a multilateral trade framework is now bigger than ever, and Japan has the ability to promote South Korea's accession to the framework to bolster the economic resilience of both countries. As President Lee mulls the possibility of South Korea joining the CPTPP, Japan has an unprecedented opportunity to promote the agreement as part of an economic alliance that brings together countries similarly impacted by the latest developments in U.S. tariff negotiations.¹² There are, however, two notable obstacles to Japan encouraging South Korea's entry. Firstly, there is the challenge of process in considering membership. CPTPP accession is considered in accordance with the order in which applications were received. Given that China and Taiwan formally submitted their requests to join the framework in 2021, South Korea will have to wait until the current twelve CPTPP members make a decision about having China and Taiwan join the pact. This will almost certainly delay any deliberations over South Korea's accession, considering that China's accession will be politically divisive among the members, while Taiwan will not be able to join before China. Secondly, Japan will expect South Korea to lift restrictions on importing Japanese seafood put in place following the Fukushima nuclear disaster of 2011 if it is to support South Korea's accession. That, in turn, will be a politically sensitive issue for both Japanese and South Korean voters. Both Japan and South Korea can nonetheless advance the idea of South Korea joining the CPTPP as a hedging mechanism against global economic uncertainties and promote the CPTPP as a forum to bring together like-minded countries in an economic partnership.

Japan and South Korea as Multilateral Partners

Developments on the security front, meanwhile, can also become the building block for further partnerships between Tokyo and Seoul. As the North Atlantic Treaty Organization (NATO) continues to focus on developments in Ukraine, it has also looked to Indo-Pacific states as partners not only in confronting the challenge posed by Russia, but also in meeting broader global threats.¹³ Having the leaders of Japan, South Korea, Australia, and New Zealand, a grouping called Indo-Pacific Four (IP4), at the 2022 NATO summit meeting in Madrid marked a new era for the transatlantic alliance and also highlighted the cross-regional threats posed by authoritarian governments. While New Zealand was the only member among the IP4 to attend the latest NATO summit meeting in The Hague, the four countries have shared interests with NATO not only to ensure a successful end to the war in Ukraine but also to share information and engage in regular dialogue on increasingly borderless threats, including Chinese aggression, North Korean nuclear proliferation, and cyberattacks. For the IP4 themselves, regular meetings under the NATO framework provide an opportunity to engage with like-minded countries to address not only specific security concerns but also shared concerns that are increasingly borderless.

For Japan and South Korea, the IP4 puts the two countries on an equal footing in addressing looming threats on the horizon. Unlike the CPTPP or the Group of Seven (G7) group, in which

Japan is already a member and South Korea is seeking to join, the two countries have the same status in the IP4, eliminating any political rivalry. With the prospect of Tokyo becoming the home of NATO's Indo-Pacific regional office now moribund, Tokyo and Seoul will be able to work together without being swayed by tensions over which country is in a stronger position.¹⁴ The four-country partnership also has the potential to fill the gap that is being left by the Quad, as growing tensions between the United States and India are hampering the way forward for their grouping with Japan and Australia to be effective in dealing with strategic interests in the Indo-Pacific region. Unlike the Quad, which currently faces challenges in defining what its members' shared interests are, there is greater overlap in the economic as well as security interests of the IP4, which could make it easier to move forward with developing a roadmap for cooperation instead of being limited to rhetoric alone.

Thwarting Threats Against Regional Stability

The shared goal between Japan and South Korea will be to maintain stability and predictability in the Indo-Pacific as the established regional order comes under ever greater scrutiny. Certainly, the allure of China for much of the region is no longer simply about its financial largesse. Rather, Beijing is increasing its political allure as an alternative model to a U.S.-led system. While neither Japan, South Korea, nor the United States are completely in lockstep when it comes to a China strategy, there is a broad consensus among the three countries that China poses a systemic threat to the regional order and also challenges the established economic rules and norms that have led the global economy to prosperity since the end of World War II.

Granted, no leader of a major democracy was among the twenty-six who attended China's military parade to celebrate the eightieth anniversary of the end of World War II—or "Victory Against Japan Day," as China refers to September 3. But the annual Shanghai Cooperation Organization (SCO) summit the previous week did succeed in luring India's Prime Minister Narendra Modi to Chinese soil for the first time in seven years. It was primarily an indication of India's frustration with the Trump administration's recent decision to impose 50 percent tariffs on Indian imports. At the same time, it also indicated India's openness to hedging against the United States and its rules as Modi held hands with Russian President Vladimir Putin together with Chinese President Xi Jinping at the Tianjin summit. The SCO has also emerged as a forum that not only attracts regional leaders, but also promotes a shared vision on key areas such as AI governance and the development of a payment system that would directly challenge the current system dominated by the U.S. dollar.¹⁵

Japan has been a champion of a free and open Indo-Pacific (FOIP) ever since the late Japanese Prime Minister Shinzo Abe first fleshed out the concept in a speech before the Indian parliament in 2007. In the intervening years, most advanced economies like the United States and South Korea have adopted the principles of FOIP through the development of their respective Indo-Pacific strategies. Amid the rise of an alternative to a rules-based order, however, the need to reaffirm the value of FOIP and integrate it into part of a solutions-based framework is increasing in urgency. Japan continues to promote an Indo-Pacific that is based on interests; that vision

can be expanded and promoted further. The tremendous economic and political success that both Japan and South Korea have enjoyed as a result of a rules-based order remains one of the most persuasive arguments for other countries to follow their development model. But that is not enough. By building on partnerships and the trust the country has been able to build up in Southeast Asia over the decades, Japan continues to promote the value of a rules-based Indo-Pacific. While South Korea under the Lee administration may seek to reassess its security cooperation commitments, its commitment to promoting broader stability in the Indo-Pacific by continuing to invest in and foster technical cooperation in the world's most populous region will ultimately advance South Korea's position as a global pivotal state. Enhanced cooperation between Tokyo and Seoul to ensure regional economic development will be a win-win not only for the two countries, but for the Indo-Pacific region at large.

The Way Forward for Japan-South Korea Relations

From domestic political uncertainties to the politicization of history, the persistent risks to relations between Japan and South Korea cannot be ignored. Yet the external risks facing the two countries moving forward are far greater as the regional order continues to shift rapidly. With the rules and structures that have been the building blocks of both countries' prosperity over the decades facing significant challenges ahead, the need for the two countries to work together has only increased since the 2023 Camp David summit. Cooperation can be pragmatic, especially on the economic front, as both Tokyo and Seoul grapple with the significant challenges posed by changing tariffs and investment expectations from Washington. But as China's relations with both Russia and North Korea draw ever closer on the one hand and the United States remains embroiled with developments in Ukraine and the Middle East on the other, the drive to ensure stability and prosperity in the Indo-Pacific must come from Japan and South Korea. Takaichi can leverage the domestic support that she currently has to articulate the need to prioritize strong relations between Japan and South Korea, and to put forward a foreign policy roadmap that advances stability across the Indo-Pacific. Realizing that vision will require close cooperation with trusted allies and partners. Regression in Japan-South Korea relations must not be presented as an option.

Endnotes

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