

Section 3 Economic Diplomacy

1 Overview of Economic Diplomacy

(1) Overview

In the international community, as competition among nations intensifies and shifts in the balance of power are accelerating and becoming increasingly complex, uncertainty in the global economy is mounting. In particular, events such as the COVID-19 pandemic from 2020 onward, Russia's aggression against Ukraine, and the escalating situation in the Middle East have exposed vulnerabilities in supply chains and caused surging prices for energy and commodities. As protectionism and inward-looking tendencies strengthen globally, there is also an urgent need to address the resilience of supply chains, including those for critical minerals, as well as non-market policies and practices and economic coercion.

Against this backdrop, in August the Ministry of Foreign Affairs (MOFA) undertook an organizational reform to address diplomatic policy in an even more agile and strategic manner, establishing within the Economic Affairs Bureau a new Economic Policy Coordination Division, a new Economic Diplomacy Strategy Division, and a new Economic Security Division. Under this new structure, MOFA will strategically advance economic diplomacy, centered on three pillars: (a) creating new markets and innovation; (b) maintaining and strengthening the rules-based, free and fair international economic order; and (c) strengthening economic security, thereby contributing to the enhancement of Japan's economic power, which is the foundation of Japan's national strength. Specifically, first, in order to create new markets and innovation, MOFA will diplomatically support the overseas expansion of Japanese companies and the technologies in which Japan holds competitive advantages in global markets, including in countries known as the "Global South," which represent growth markets, and will pursue efforts to promote inward foreign direct

investment in Japan and international brain circulation. Second, in order to maintain and strengthen the rules-based, free and fair international economic order, MOFA will continue to work in coordination with the ally and like-minded countries to lead multilateral and bilateral discussions. MOFA will also take the lead in shaping international rules in new areas including artificial intelligence (AI), promote economic partnerships through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and other agreements, and work to maintain and strengthen the rules and frameworks of the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD). Third, as the importance of economic security continues to grow, with a view to ensuring Japan's strategic autonomy and strategic indispensability, MOFA will work to strengthen the resilience of supply chains including those for critical minerals, protect and promote the development of critical and emerging technologies, and ensure stable supplies of energy and food. MOFA will also actively engage in discussions aimed at strengthening the international economic order in a manner that serves Japan's economic security, including through responses to non-market policies and practices and economic coercion.

(2) Responding to New and Emerging Challenges

With technological innovation, new challenges that require cross-cutting approaches have also emerged. In particular, as a technology that now determines national power, AI has not only intensified competition among countries but has also become an important area of diplomacy directly linked to security.

As a major AI-related diplomatic event in 2025, the AI Action Summit was held in France in February, attended

by government representatives from approximately 90 countries, representatives of international organizations, and private-sector entities. On the occasion of the Summit, Japan signed the Council of Europe Framework Convention on Artificial Intelligence and Human Rights, Democracy and the Rule of Law. At the G7 Kananaskis Summit in Canada in June, the “G7 Leaders’ Statement on AI for Prosperity” was released. In July, the United States (U.S.) announced an AI Action Plan, and shortly thereafter, China held the World Artificial Intelligence Conference (WAIC) and announced the “AI Global Governance Action Plan.” In August, the UN General Assembly adopted a Terms of Reference (TOR) resolution for the “Independent International Scientific Panel on Artificial Intelligence” and the “Global Dialogue on Artificial Intelligence Governance.”

Since taking the lead in launching the “Hiroshima AI Process”⁽¹⁾ on international governance of generative AI in 2023, Japan has actively contributed to the development of international rules toward building an ecosystem of “safe, secure, and trustworthy AI.” Through the “Hiroshima AI Process Friends Group,” Japan has been working to expand the implementation of the Hiroshima Process International Guiding Principles for All AI Actors and the Hiroshima Process International Code of Conduct for Organizations Developing Advanced AI Systems. In February 2025, Japan held

the first in-person meeting of the Friends Group in Tokyo. During the same year, Malaysia, Indonesia, Egypt, Switzerland, and the Philippines newly joined the Friends Group, and as of December of that year, the Group had expanded to 60 countries and region.

At the same time, Japan is advancing efforts to co-create an ecosystem of “safe, secure, and trustworthy AI” together with Global South countries, including India, Africa, ASEAN (the Association of Southeast Asian Nations), and Central Asia, in a manner tailored to the needs of each country and region. For example, at the Japan-ASEAN Summit in October, Japan announced the launch of the “Japan-ASEAN Co-Creation Initiative for Artificial Intelligence (AI),” aimed at jointly building an AI ecosystem in ASEAN across the following four pillars: Co-Creation of AI Solutions, Institutional Development and Governance, Human Resource Development and Capacity Building, and Infrastructure Support.

Japan will continue to advance “safe, secure, and trustworthy AI,” promote the development of international AI governance, and foster innovation through the use of AI by utilizing opportunities such as summit and foreign ministers’ meetings, as well as diplomatic missions overseas, while strengthening coordination with like-minded countries.

2 Revitalizing the Economy through Support for the Overseas Expansion of Japanese Companies and Inbound Demand and Investment

(1) Promotion of Japanese Companies’ Overseas Business Expansion by MOFA and Diplomatic Missions Overseas

Many Japanese companies that support the development of the Japanese economy are actively engaged in overseas expansion, and the number of Japanese companies operating overseas has been increasing over the medium- to long-term, despite being affected by domestic and overseas economic conditions and other circumstances. From the perspective of incorporating into the Japanese economy the momentum of

economic growth overseas, including in Global South countries, support for Japanese companies by the government is also becoming increasingly important.

In light of the situation, MOFA, in coordination with diplomatic missions overseas, has been engaged in supporting Japanese companies in their efforts to expand their businesses overseas. At each diplomatic mission overseas, under the motto of being “the world’s most open and approachable government offices,” ambassadors and consuls-general themselves take the lead, working together with staff including

(1) The Hiroshima AI Process: A process for discussing international rules about generative AI, launched at the G7 Hiroshima Summit in May 2023, under Japan’s presidency. In the G7 leaders’ statement of December 2023, the “Hiroshima AI Process Comprehensive Policy Framework” including “Hiroshima Process International Guiding Principles for All AI Actors” and “Hiroshima Process International Code of Conduct for Organizations Developing Advanced AI Systems” was endorsed.

Japanese business support officers, officials in charge of cross-border economic affairs, and other staff, to provide support tailored to local conditions and company needs — including providing various information to Japanese companies, lobbying foreign governments, and supporting entry into third-country markets. In addition, MOFA provides consultation services regarding economic coercion, and some diplomatic missions overseas in Asia, Africa, and other regions utilize Japanese lawyers who are familiar with local laws, regulations and legal situations to hold seminars and legal consultations on local legal systems.

Furthermore, diplomatic missions overseas have been actively utilizing facilities such as embassies and ambassadors' residences and other facilities as venues to publicize and promote the “Japan Brand” — including products, technologies, and services from Japanese companies, as well as Japanese agricultural, forestry, and fishery products — at various events including product exhibitions and tastings by Japanese companies, business development seminars, and local government trade fairs, as well as for interacting and networking with local companies and related organizations.

(2) Promotion of the Japanese Infrastructure System in Overseas Business Expansion

To capture infrastructure demand, especially from emerging economies, and to promote overseas deployment of infrastructure systems by Japanese companies, the Ministerial Meeting on Strategy relating to Infrastructure Export and Economic Cooperation, chaired by the Chief Cabinet Secretary and comprising relevant cabinet ministers, was established in 2013, and 58 meetings were held by December 2025. This Meeting annually revised and followed up on the “Infrastructure System Export Strategy” formulated in 2013, and in December 2024, in light of changes surrounding the overseas deployment of infrastructure systems such as structural changes in the global infrastructure market, it formulated the “Infrastructure System Overseas Promotion Strategy 2030,” which sets out the future direction for overseas expansion including in areas that go beyond traditional concepts of infrastructure, and charts a course for the public and private sectors to work together to achieve growth for

both Japan and its partner countries. The strategy lays out specific measures across three pillars: (a) enhancing Japan's “earning power” and global competitiveness through co-creation with partner countries; (b) prompt response to new societal requirements such as economic security, and securing national interests; and (c) an agile response to seize opportunities in GX (Green Transformation), DX (Digital Transformation) and other social changes. The strategy also sets a goal of achieving 45 trillion yen in orders for infrastructure systems by 2030. In addition to promoting top-level sales, including at the leaders and foreign minister levels, MOFA is also providing support through diplomatic missions overseas and through the more effective and strategic use of Official Development Assistance (ODA), including the Co-creation for Common Agenda Initiative.

(3) Promotion of the Export of Japanese Agricultural, Forestry and Fishery Products and Food (Including Efforts toward the Removal of Import Restrictions on Japanese Food Products after the Great East Japan Earthquake)

Expanding exports of Japan's agricultural, forestry, and fishery products and food is a major objective of the Government of Japan. Based on the “Strategy for Export Expansion of Agricultural, Forestry, Fishery Products and Food,” which was revised in May 2025, the government is making a concerted effort to accelerate its initiatives. MOFA is also working with related ministries and agencies, Japanese companies, and local governments to further expand exports of Japan's agricultural, forestry, and fishery products and food. In particular, Japanese business support officers (in charge of the food industry) have been assigned to 85 diplomatic missions overseas in 63 countries and regions, and some of these missions also have “advisors for promoting the export of agriculture, forestry, and fishery products and food” who are familiar with local conditions. In addition, MOFA is actively promoting the attractiveness of Japanese agricultural, forestry, and fishery products and food through its network of diplomatic missions overseas and by utilizing social media and other means, as well as by seizing various opportunities such as receptions and cultural events to which dignitaries from various countries and

regions are invited. Furthermore, at diplomatic missions overseas in some cities, “Export Support Platforms” have been established together with the Japan External Trade Organization (JETRO) overseas offices and the Japan Food Product Overseas Promotion Center (JFOODO), and MOFA is working in coordination with relevant organizations to further promote exports.

One of the biggest barriers to increasing exports is import restrictions on Japanese agricultural, forestry and fishery products and food by countries and regions following the Great East Japan Earthquake and Tokyo Electric Power Company (TEPCO)’s Fukushima Daiichi Nuclear Power Station accident. Completely eliminating these restrictions and addressing Japan’s reputational damage are top priorities for the Government of Japan, and MOFA has been making efforts in collaboration with relevant ministries and agencies to have these restrictions lifted as quickly as possible. As a result of these efforts, a total of 50 countries and regions have lifted their restrictions, including Taiwan, which announced the lifting of restrictions in November 2025.

As of the end of that year, five countries and regions still maintained restrictions (the Republic of Korea, China, Hong Kong, Macau, and Russia). In particular, China, Hong Kong, Macau, and Russia newly strengthened their restrictions following the start of the discharge of ALPS treated water⁽²⁾ into the sea in August 2023.

With regard to China, in September 2024, the two countries announced a “Shared Recognition between Japan and China” regarding the discharge of ALPS treated water into the sea and import restrictions on Japanese aquatic products. The Chinese side committed to conducting additional measures under the IAEA framework. Following the measures, China will adjust its import restriction measures on Japanese marine products, thereby steadily restoring those imports. Since October 2024, the missions of additional measures have been conducted on multiple occasions with the participation of experts from third countries including China, and the published results reports have confirmed the safety of the discharge of ALPS treated water into the sea. The Chinese government has also

announced that the results of analyses of samples completed to date have been normal. At the end of June 2025, the Chinese government issued a public notice restoring imports of aquatic products from certain regions of Japan. With regard to the resumption of imports of Japanese aquatic products, it is of utmost importance to faithfully implement the “Shared Recognition between Japan and China” announced in September 2024, and the Government of Japan will continue to urge China to facilitate exports, including by promptly re-registering Japan-side export-related facilities, and will strongly call for the lifting of the remaining import restrictions on agricultural and aquatic products from 10 prefectures.

At the WTO, Japan has consistently and strongly urged China and other countries and regions to promptly remove their restrictions at relevant WTO committees, and has explained its position at those meetings, and has also requested discussions with China and other countries and regions based on the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). Furthermore, in accordance with the provisions of the Regional Comprehensive Economic Partnership (RCEP) Agreement to which both Japan and China are parties, Japan has requested discussions and technical consultations with the Chinese government and has asked China to respond to the request in accordance with its obligations under the Agreement. MOFA will closely work with the relevant ministries, agencies, local governments and international organizations and will continue taking every opportunity and making every effort to persistently explain and appeal to these countries and regions, with the goal of having restrictions promptly removed and reputational damage repaired based on scientific evidence.

(4) Foreign Direct Investment in Japan

With regard to promotion of foreign direct investment in Japan, the Council for Promotion of Foreign Direct Investment (FDI) in Japan, which has met every year since 2014, is spearheading initiatives to promote activities for discovering and attracting investments.

(2) ALPS treated water is water that contained radioactive substances from inside the buildings of the Tokyo Electric Power Company (TEPCO)’s Fukushima Daiichi Nuclear Power Station (FDNPS) and has been purified and treated through multiple treatment facilities, including ALPS (Advanced Liquid Processing System), until the concentrations of all radioactive substances besides tritium satisfy the safety regulatory standards. As for tritium, the water is significantly diluted with seawater before the discharge into the sea so that it fully satisfies safety regulatory standards.

The Council gathers feedback from foreign company managers and takes measures such as regulatory and institutional reforms and support measures that help improve the investment environment in Japan. At its 13th meeting held in June 2025, the “Program for Promotion of Foreign Direct Investment in Japan 2025” was formulated, organizing newly identified issues under five pillars, and the government is addressing them across ministries and agencies. The Basic Policy on Economic and Fiscal Management and Reform 2025 (Basic Policy 2025), which was formulated by the Council on Economic and Fiscal Policy and then decided by the Cabinet, also sets targets of achieving a balance of 120 trillion yen in foreign direct investment in Japan by 2030 and 150 trillion yen as early as possible in the first half of the 2030s.

MOFA is strategically implementing various initiatives through diplomatic missions overseas based on the measures formulated by the Council for Promotion of Foreign Direct Investment in Japan. In FY2024, the “Contact Points for Promotion of Foreign Direct Investment in Japan,” established at 126 diplomatic missions overseas, conducted collect information which contributes to improving investment-related rules and regulations, calling for foreign direct investment in Japan by leveraging networks of diplomatic missions overseas, and holding events to promote foreign direct investment in Japan, among other initiatives. More than 850 activities were conducted in FY2024. In June 2023, “FDI Task Forces” were established in five locations (New York, London, Paris, Dusseldorf, and Sydney), through collaboration between heads of diplomatic missions overseas and JETRO overseas offices, in order to fundamentally strengthen mechanisms to attract human resources and investment from overseas. In January 2025, six additional locations (Los Angeles, Toronto, Amsterdam, Singapore, New Delhi, and Dubai) were added, expanding the network to a total of 11 locations, further strengthening foreign direct investment attraction activities.

In Japan, MOFA held a Global Business Seminar in March as a means to widely disseminate information about the appeal of investing in Japan and its regions as seen from overseas. Lectures were given by government, local government, and business representatives, and lively discussions were held by the more than 100

people in attendance, which included representatives of domestic and international companies, foreign missions in Japan, and chambers of commerce, as well as national and local government officials.

(5) Expo 2025 Osaka, Kansai, Japan and International Horticultural Expo 2027, Yokohama, Japan (GREEN×EXPO 2027)

Under the theme of “Designing Future Society for Our Lives,” Expo 2025 Osaka, Kansai, Japan was held at Yumeshima, Osaka, from April 13 to October 13, 2025. With 165 official participants (countries, regions, and international organizations) — the largest number ever for an international exposition held in Japan — more than 29 million visitors from around the world attended over the 184-day period, and the Expo concluded as a great success. The Expo provided a valuable opportunity for many Japanese citizens to deepen their engagement with the world and to widely promote Japan’s appeal to the international community.

During the Expo, National Days and Special Days of official participating countries, regions, and international organizations were held throughout the period, and many members of royal families, heads of state and government, and ministers from various countries visited the Expo site as official guests of Expo 2025 Osaka, Kansai, Japan invited by the Government of Japan. These distinguished guests from various countries attended official ceremonies and cultural events at the Expo venue, visited the pavilions of their own countries and the Japan Pavilion, and deepened their engagement with Japan by showcasing and sharing their unique cultures. Many dignitaries also took the opportunity of their visit to Japan to hold meetings with Prime Minister Ishiba, Foreign Minister Iwaya, other cabinet ministers, members of the Diet, and leading figures from the business community. The visits to Japan by dignitaries from various countries during the Expo period contributed to strengthening bilateral relations, served as an opportunity to incorporate overseas vitality into Japan through business-related engagements, and also provided opportunities for regional revitalization.

In 2027, the International Horticultural Expo 2027, Yokohama, Japan (GREEN×EXPO 2027) is scheduled to be held in the City of Yokohama under the theme of “Scenery of the Future for Happiness.” This Expo aims

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Support for Japanese Companies through Diplomatic Missions Overseas

With the aim of becoming “the most open and responsive diplomatic mission in the world,” each diplomatic mission overseas actively responds to inquiries and requests for assistance from Japanese companies. While the content of inquiries and the nature of support vary depending on local conditions — including regional characteristics, political and economic circumstances, and the number of Japanese companies — these missions follow the “Guidelines for Supporting Japanese Companies’ Activities Overseas” as a uniform guiding framework, while leveraging a wide range of networks and various tools including support schemes of relevant ministries and agencies such as Official Development Assistance (ODA). For example, through the “Contact Points for Japanese Business Support,” the following support is provided.

- Provision of local information (political situation and security, laws and regulations, market trends, etc.)
- Promotional activities for Japanese products utilizing diplomatic mission facilities
- Lobbying foreign government authorities toward regulatory and systemic improvements and other reforms
- Provision of legal consultation services through the cooperation of Japanese lawyers
- Collection and provision of infrastructure-related information
- Response to economic coercion

Such support examples by diplomatic missions overseas are posted on the Ministry of Foreign Affairs (MOFA) website as “Good Practices in Japanese Business Support.” For instance, in India, a Supreme Court ruling triggered large-scale tax investigations targeting Japanese and other foreign companies. The companies concerned were required to bear substantial tax burdens, including arrears and penalties. In response, the Embassy of Japan in India, working in coordination with the Japan External Trade Organization (JETRO) New Delhi office and the Japan Chamber of Commerce and Industry in India, gathered and consolidated information on the impact on Japanese companies and subsequently lobbied repeatedly to the Government of India. As a result, the Ministry of Finance of India issued a circular instructing the tax authorities not to carelessly impose taxation based on the said Supreme Court ruling, but rather to carefully examine the facts of each case. Furthermore, a subsequent legislative amendment led to a substantive reduction in the actual tax burden on Japanese companies.

MOFA will continue to work, under the close coordination between MOFA headquarters and diplomatic missions overseas, as well as in cooperation with relevant ministries and agencies, to utilize various opportunities and tools to support the enhancement of the international competitiveness of Japanese companies and the improvement of the overseas business environment, and to provide support for the activities of individual Japanese companies.



A scene from a symposium held in coordination with Japan's business community (March 4, Embassy of Japan in the United Kingdom)

to present “Nature-based Solutions” to global challenges including coexistence with nature centered on flowers and greenery, as well as sustainable agriculture, climate change, and decarbonization. MOFA, working in coordination with the Japan Association for the International Horticultural Expo 2027, Yokohama and

relevant ministries and agencies, is making full use of diplomatic opportunities to actively invite countries and international organizations to participate, while also supporting the exhibition preparations of countries and international organizations that intend to participate.

3

Maintaining and Strengthening a Rules-Based, Free and Fair International Economic Order

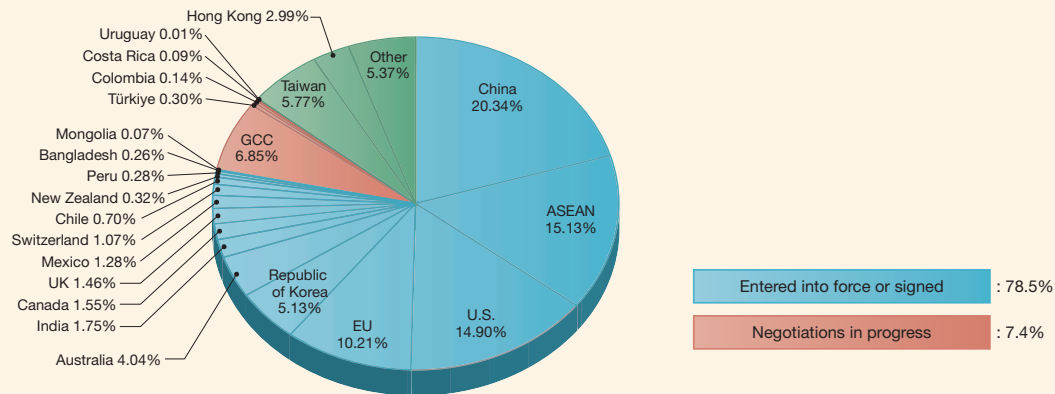
(1) Promotion of Economic Partnerships

In recent years, despite the advancement of economic globalism, uncertainty in the international economy is increasing due to increasingly pronounced protectionist movements and conflicts in various parts of the world. In such circumstances, Japan has emphasized and steadily promoted Economic Partnership Agreements (EPAs) and Free Trade Agreements (FTAs), which help capture the vitality of the growing market overseas and strengthen the basis of the Japanese economy through measures such as the reduction or elimination of tariffs on goods as well as barriers on trade in services, and through rule-making for trade and investment.

Regarding bilateral EPAs, after vigorous negotiations, Japan signed an EPA with Bangladesh in

February 2026, and is also advancing negotiations on EPAs with the United Arab Emirates (UAE) and the Gulf Cooperation Council (GCC)⁽³⁾ Concerning the CPTPP, at the Ninth Commission Meeting of the CPTPP held in November 2025, Uruguay, the UAE, the Philippines, and Indonesia were identified as aspirant economies—which are in line with the Auckland Principles,⁽⁴⁾ on the response to new accession requests as confirmed among the Parties. Moreover, the decision was made to establish an Accession Working Group (AWG) for Uruguay. Additionally, decisions were made to commence negotiations on amendments to the Agreement in the areas such as Electronic Commerce, Trade in Services, Customs Administration and Trade Facilitation, Competitiveness and Business Facilitation,

Percentages of Japan's economic partnership agreement partner countries and regions within Japan's total trade



(Source: Trade Statistics of Japan by the Ministry of Finance (released in January 2026))

(3) Gulf Cooperation Council (GCC): Established by Saudi Arabia, the United Arab Emirates (UAE), Bahrain, Oman, Qatar, and Kuwait.

(4) Principles for responding to new accession requests (the three Auckland Principles):
(a) Being ready to meet the high standards of the Agreement;
(b) Having demonstrated a track record of complying with trade commitments;
(c) Decisions being made based on the consensus of CPTPP Parties.

including provisions for the supply chain resilience. Furthermore, the Parties reaffirmed to advance work toward strengthening the implementation and operation of the Agreement against economic coercion and market-distorting practices.

As of the end of 2025, Japan's EPA/FTA ratio (the proportion of trade volume with countries with which Japan has EPA or FTA that have already entered into force or been signed, to Japan's total trade volume) reached approximately 78.5% (source: 2026 Trade Statistics of Japan, Ministry of Finance). Japan will continue working actively toward the strategic expansion of the CPTPP while maintaining its high standards, ensure the transparent implementation of the RCEP Agreement, and negotiate other EPAs in order to expand the free and fair economic order that is the basis for its own peace and prosperity.

A Multilateral Agreements, etc.

(A) Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The CPTPP sets high-standard rules in a wide range of areas, including tariffs, services, investment, e-commerce, intellectual property, and state-owned enterprises. It also provides opportunities for Japanese companies to better thrive in overseas markets, giving it important economic significance as a major driving force for the country's economic growth. Furthermore, the CPTPP has great strategic significance in that it will establish a free and fair economic order with countries sharing fundamental values and principles, including freedom, democracy, fundamental human rights and the rule of law, and contribute significantly to the security of Japan and stability in the Indo Pacific region, ensuring regional and global peace and prosperity. The 12 countries of Japan, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S., and Viet Nam signed the Trans-Pacific Partnership Agreement (TPP Agreement) in February 2016. However, due to the U.S.' announcement of its withdrawal from the TPP Agreement in January 2017, Japan proactively led discussions among the 11 countries for the early realization of the TPP Agreement in principle was reached at the TPP Ministerial Meeting in November 2017, and the CPTPP was signed in Chile in March 2018. Six countries (Mexico, Japan,

Singapore, New Zealand, Canada, and Australia) completed their domestic procedures, satisfying the conditions required for the entry into force of the agreement, and the agreement entered into force on December 30, 2018. The agreement entered into force for all 11 countries that signed it, with Viet Nam becoming a party in January 2019, Peru in September 2021, Malaysia in November 2022, Chile in February 2023, and Brunei in July 2023.

Since the CPTPP entered into force, regarding the United Kingdom (UK), which applied for accession in February 2021, the Protocol on the Accession of the UK was signed in July 2023, setting out the UK's compliance with the rules in each area prescribed by the CPTPP as well as the commitments on market access to be granted mutually by the CPTPP Parties and the UK. Japan approved the Protocol in the Diet in December of that year, after which the Protocol entered into force for 10 countries including Japan in December 2024. At the Commission Meeting of the CPTPP in November of that year, the decision was made to establish an AWG for Costa Rica's accession. At the Ninth Commission Meeting of the CPTPP held in Australia in November 2025, Uruguay, the UAE, the Philippines, and Indonesia were identified as aspirant economies—which are in line with so-called “Auckland Principles” on the response to new accession requests, as agreed among the Parties, and the decision was made to establish an AWG for Uruguay. It was also decided that accession processes for the other three economies would be commenced in 2026, if appropriate. Beyond these, China and Taiwan applied for accession in September 2021, Ecuador in December 2021, Ukraine in May 2023, and Cambodia in November 2025. Japan will properly assess whether the countries, regions, and economies that have requested membership are fully capable of meeting the high standards of the CPTPP and have the intention and ability to continue to do so in their post-accession implementation, while also taking into account strategic perspectives and the understanding of the public.

(B) Japan-EU Economic Partnership Agreement (Japan-EU EPA)

In February 2019, the Japan-EU EPA, which at the time accounted for about 30% of global GDP and

40% of global trade, entered into force. The EU is an important partner for Japan, being its third largest export partner (9.3% of total exports) and third largest import partner (10.5%) (both as of 2024)

Six years have passed since the Agreement entered into force, and in 2025, work was undertaken to address challenges and promote cooperation in areas including trade in goods, technical barriers to trade, trade in services, investment and electronic commerce, government procurement, trade and sustainable development, and regulatory cooperation, with a view to further developing the expanding Japan-EU trade relations. The Government of Japan will continue to closely cooperate on further deepening the Japan-EU economic relationship by promoting efforts to ensure effective implementation of the EPA through minister-level meetings of the Joint Committee and specialized committees and working groups.

(C) Japan-UK Comprehensive Economic Partnership Agreement (Japan-UK CEPA)

The Japan-UK CEPA, which entered into force in January 2021 after the UK left the EU, is an important cornerstone for further deepening economic relations between Japan and the UK as global strategic partners who share fundamental values. The Japan-UK CEPA, based on the Japan-EU EPA and comprising 24 chapters in total, stipulates rules that are more advanced and high-level than those of the Japan-EU EPA in such areas as electronic commerce and financial services. In addition, it is the first EPA concluded by Japan to include a chapter on promoting women's access to the opportunities and benefits created by trade. With the cooperation of the Japanese and UK governments, the Women's Economic Empowerment (WEE) Seminar 2025 was held online in February, and the Women's Economic Empowerment Forum Osaka Expo 2025 was held in August at the UK Pavilion at Expo 2025 Osaka, Kansai, Japan.

The Government of Japan will continue to promote efforts to ensure effective implementation of the EPA through minister-level meetings of the Joint Committee and specialized committees and working groups, and will continue to cooperate closely to further deepen economic relations between Japan and the UK.

(D) Japan-GCC Economic Partnership Agreement (EPA)

The conclusion of the EPA with the Gulf Cooperation Council (GCC) is important not only for the improvement of the business environment through the effects of tariff reductions and improvement to rules, but also in the interest of energy security.

EPA negotiations between Japan and the GCC began in 2006 and were then suspended in 2009. However, when Prime Minister Kishida visited Saudi Arabia in July 2023, Prime Minister Kishida and GCC Secretary General Jasem Al Budaiwi concurred to resume negotiations in 2024, and the first round of negotiations after the resumption of negotiations was held in December of that year. Two rounds of negotiations were held by December 2025.

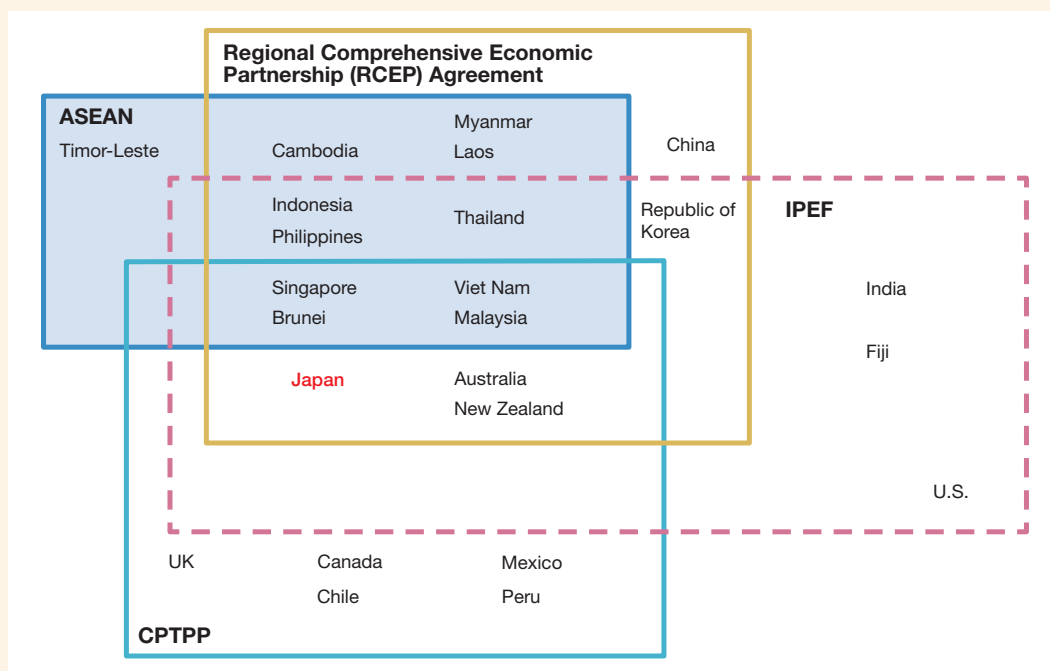
The Japan-GCC EPA is expected to provide strong support to the socio-economic reforms being promoted in the GCC countries toward industrial diversification and reduction of dependence on oil, and to contribute to further strengthening relations between Japan and the GCC.

(E) Regional Comprehensive Economic Partnership (RCEP) Agreement

The RCEP is an economic partnership agreement involving the members of ASEAN (excluding Timor-Leste, which formally joined ASEAN in October 2025), Japan, Australia, China, the ROK, and New Zealand. RCEP participating countries account for roughly 30% of the world's total GDP, total trade value, and population. The entry into force of the Agreement is expected to further strengthen Japan's ties with the regions serving as the world's growth center, thus contributing to the economic growth of Japan. Following the ceremony to launch negotiations for the Regional Comprehensive Economic Partnership held at the ASEAN-related summit in Phnom Penh, Cambodia, in November 2012, the Agreement was signed at the fourth RCEP Summit in November 2020, after approximately eight years of negotiations.

The RCEP Agreement entered into force on January 1, 2022, and a total of 11 Joint Committee meetings and four Ministers' Meetings were held by the end of 2025. In October 2025, the fifth Regional Comprehensive Economic Partnership (RCEP) Summit — the first

Multilateral economic agreements in the Indo-Pacific region



since the Agreement's entry into force — was held in Kuala Lumpur, Malaysia. Japan places importance on maintaining and strengthening a rules-based, free and fair economic order in the region through the full and transparent implementation of the RCEP Agreement, and will work closely with the relevant countries to that end.

(F) Indo-Pacific Economic Framework for Prosperity (IPEF)

The IPEF is a framework for discussing economic cooperation in the Indo-Pacific region, and in 2024 the IPEF Supply Chain Agreement, the IPEF Clean Economy Agreement, the IPEF Agreement, and the IPEF Fair Economy Agreement entered into force. Since then, discussions on the implementation of the agreements have progressed, and various initiatives toward strengthening supply chain resilience are being undertaken in the Supply Chain Council (SCC), the Crisis Response Network (CRN), and the Labor Rights Advisory Board (LRAB) established under the Supply Chain Agreement.

(G) Free Trade Area of the Asia-Pacific (FTAAP)

The Asia-Pacific Economic Cooperation (APEC) Putrajaya Vision 2040 (adopted in 2020), which outlines the medium- to long-term direction of APEC, states that APEC “will advance economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia Pacific (FTAAP) agenda.” A FTAAP agenda Work Plan was formulated in 2022, and work is underway to materialize this agenda.

Japan has contributed to sharing knowledge and supporting capacity building on the FTAAP agenda by holding workshops on the “competition chapters” in EPAs and competition policy.

At the APEC Leaders' Meeting in Peru in 2024, the “Ichma⁽⁵⁾ Statement on A New Look at the Free Trade Area of the Asia-Pacific agenda” was adopted, which clearly states that new programs will be launched to examine areas such as customs procedures, investment, digital trade, competition policy, state-owned enterprises, trade and labor, and trade and environment, taking into account existing free trade agreements. It

(5) Ichma: Name of a site of ancient Peruvian civilization.

was also confirmed at the APEC Economic Leaders' Meeting in the Republic of Korea (ROK) in 2025 that these efforts would continue.

B Bilateral Agreements

(A) Japan-Türkiye Economic Partnership Agreement (EPA)

As an important country that serves as a hub among Europe, the Middle East, the Central Asia and Caucasus region, and Africa, Türkiye has considerable economic potential and is attracting attention as a production base for exports to surrounding regions. Amid high expectations from the business communities of both countries for the early conclusion of a Japan-Türkiye EPA, the two countries confirmed to launch negotiations at the Japan-Türkiye Summit Meeting in January 2014, and 17 rounds of negotiations have been held as of December 2024. Türkiye has concluded EPAs or FTAs with more than 20 countries and regions to date, and it is expected that the conclusion of this EPA will facilitate stronger competitiveness for Japanese companies.

(B) Japan-Bangladesh Economic Partnership Agreement (EPA)

Bangladesh has traditionally been a friendly country to Japan, and the two countries have fostered good relations primarily through economic cooperation. In April 2023, the relationship between the two countries was elevated to a "Strategic Partnership," and economic relations between the two countries have further developed in recent years. In light of this situation, the decision was made to launch Japan-Bangladesh EPA negotiations in March 2024, with the aim of expanding trade between the two countries, and improving the investment environment through the establishment of rules. Seven rounds of negotiations were held by the end of September 2025. Agreement in principle was reached in December, and the Agreement was signed in February 2026.

The conclusion of the Japan-Bangladesh EPA is expected to foster even stronger economic relations between the two countries, as well as contribute to realizing a "Free and Open Indo-Pacific (FOIP)" and to further elevating Japan's presence in South Asia.

(C) Japan-United Arab Emirates (UAE) Economic Partnership Agreement (EPA)

The UAE is an important strategic partner for Japan in terms of energy security, and in recent years the two countries have been promoting cooperation in a wide range of fields under the framework of the Comprehensive Strategic Partnership Initiative (CSPI).

With the aim of further strengthening economic relations between the two countries, including the expansion of trade and investment, the decision was made to launch negotiations for a Japan-UAE EPA in September 2024, and seven rounds of negotiations were held by January 2026.

C Other EPAs that have Entered into Force

The existing EPAs contain provisions concerning the joint committee, which is a body that discusses the implementation of the agreements, and a process to review the agreements after a certain period of time following their entry into force. In addition, a variety of consultations are being held in order to smoothly implement the EPAs after their entry into force. Regarding the Japan-Indonesia EPA, the Protocol Amending the Agreement between Japan and Indonesia for an Economic Partnership was signed in August 2024. The Protocol received approval from the Japanese Diet in April 2025.

In accordance with the EPAs, the Government of Japan has been accepting candidates for nurses and certified care workers from Indonesia, the Philippines, and Viet Nam. In total, 4,565 (as of FY2025) candidates have been accepted from Indonesia, 4,055 from the Philippines, and 2,014 from Viet Nam. From these three countries, the total number of nurses and certified care workers who have passed national exams is 719 and 3,616 individuals, respectively, as of FY2024.

D Investment-related Agreements

Investment-related agreements (Investment agreement and EPA/FTA including investment chapter) constitute an important legal basis to improve predictability for investors and promote their investment activities by establishing common rules for the protection of investors and their investment assets, enhancement of transparency in regulations, expansion of investment opportunities, procedures for investment dispute settlement,

Current investment-related agreements^(Note) (as of the end of February 2026)

Status of negotiations on investment-related agreements^(Note)

In force: 54 (37 investment agreements, 17 EPAs)
Signed / not in force: 7 (5 investment agreements, 2 EPAs)
Under negotiation: 17 (13 investment agreements, 4 EPAs/FTAs)

(Note) Investment agreements and EPAs/FTAs including an investment chapter

Covering 85 countries/regions

Once the agreements under negotiation also enter into force, this will cover 97 countries/regions

In force (terminated agreements excluded) (L) denotes treaties with investment liberalization

Investment agreement

Note: A private investment arrangement with investment liberalization was made between Japan and Taiwan in 2011. (L): year of entry into force

1 Egypt (1978)	14 Peru (2009) ^(L)	25 Uruguay (2017) ^(L)
2 Sri Lanka (1982)	15 Papua New Guinea (2014)	26 Iran (2017)
3 China (1989)	16 Kuwait (2014) ^(L)	27 Oman (2017)
4 Türkiye (1993)	17 Iraq (2014)	28 Kenya (2017)
5 Hong Kong (1997)	18 Japan, China, and Republic of Korea (2014)	29 Israel (2017) ^(L)
6 Bangladesh (1999)	19 Myanmar (2014) ^(L)	30 Armenia (2019) ^(L)
7 Russia (2000)	20 Mozambique (2014) ^(L)	31 Jordan (2020)
8 Pakistan (2002)	21 Colombia (2015) ^(L)	32 United Arab Emirates (2020)
9 Republic of Korea (2003) ^(L)	22 Kazakhstan (2015)	33 Cote d'Ivoire (2021) ^(L)
10 Viet Nam (2004) ^(L)	23 Ukraine (2015)	34 Georgia (2021) ^(L)
11 Cambodia (2008) ^(L)	24 Saudi Arabia (2017)	35 Morocco (2022)
12 Laos (2008) ^(L)		36 Bahrain (2023)
13 Uzbekistan (2009) ^(L)		37 Angola (2024) ^(L)

EPA including investment chapter

1 Singapore (2002) ^(L)	10 India (2011) ^(L)
2 Mexico (2005) ^(L)	11 Australia (2015) ^(L)
3 Malaysia (2006) ^(L)	12 Mongolia (2016) ^(L)
4 Chile (2007) ^(L)	13 CPTPP ^(Note 1) (2018) ^(L)
5 Thailand (2007) ^(L)	14 EU (2019) ^(L)
6 Brunei (2008) ^(L)	15 ASEAN (2020) ^(Note 2) ^(L)
7 Indonesia (2008) ^(L)	16 United Kingdom (2021) ^(L)
8 Philippines (2008) ^(L)	17 RCEP Agreement (Note 3) (2022) ^(L)
9 Switzerland (2009) ^(L)	

Note 1: CPTPP: Comprehensive and Progressive Agreement for Trans-Pacific Partnership

Note 2: Year of entry into force of the Protocol to Amend the Agreement

Note 3: RCEP Agreement: Regional Comprehensive Economic Partnership Agreement

Under negotiation

Investment agreement

1 Algeria	8 Nigeria
2 Qatar	9 Ethiopia
3 Ghana	10 EU
4 Tanzania	11 Azerbaijan
5 Turkmenistan	12 Ukraine (revised)
6 Senegal	13 Tunisia
7 Kyrgyz Republic	

EPA/FTA including investment chapter

1 GCC
2 Japan, China, and Republic of Korea
3 Türkiye
4 United Arab Emirates

(For reference) CPTPP accession negotiations: Costa Rica, Uruguay

Signed / not in force

- TPP Agreement^(Note 4) (signed February 2016, approved) (EPA)^(L)
- Paraguay (signed December 2025, unapproved)
- Argentina (signed December 2018, approved)^(L)
- Tajikistan (signed December 2025, unapproved)^(L)
- Zambia (signed February 2025, unapproved)
- Serbia (signed December 2025, unapproved)
- Bangladesh (signed February 2026, unapproved)

Note 4: TPP Agreement denotes Trans-Pacific Partnership Agreement

and other matters. Japan has actively engaged in concluding investment-related agreements, as these agreements are considered to improve the investment environment for Japanese companies overseas as well as to attract foreign investment to the Japanese market.

In December 2025, the Japan-Paraguay Investment Agreement, the Japan-Tajikistan Investment Agreement, and the Japan-Serbia Investment Agreement were signed. As of the end of February 2026, 54 investment-related agreements have entered into force (37 investment agreements and 17 EPAs), and seven investment-related agreements have been signed but have not yet entered into force (five investment agreements and two EPA). Altogether, there will be 61 investment-related agreements covering 85 countries and regions. Including investment-related agreements that are currently under negotiation, these investment-related agreements will cover 97 countries/regions and

approximately 95% of Japan's outbound direct foreign investment.⁽⁶⁾

E Tax Conventions/Agreements on Social Security

(A) Tax Conventions

Tax conventions are intended to eliminate international double taxation in cross-border economic activities (e.g., to reduce or exempt withholding taxes imposed on investment income such as dividends), and to prevent tax evasion and avoidance, and provide an important legal basis for promoting sound investment and economic exchange between two countries. To support the sound overseas business expansion of Japanese companies, the Government of Japan is working to expand the necessary tax treaty network.

In 2025, a new tax convention between Japan and Ukraine (comprehensively revised) entered into force

(6) Ministry of Finance, "Statistics on Foreign Direct Investment Positions by Region (Assets) (Global Basis) (as of end of 2024)"

in August, a new tax convention between Japan and Turkmenistan (comprehensively revised) entered into force in November, and a new tax convention between Japan and Armenia (comprehensively revised) entered into force in December. Additionally, a new tax convention with Kyrgyzstan (comprehensively revised) was signed in December. Furthermore, in June, negotiations were launched for a new tax convention with Laos, and for a new agreement to replace the existing tax convention with the Czech Republic. As of December of that year, Japan had concluded 90 tax conventions and related agreements, which apply to 157 countries and regions.

(B) Agreements on Social Security

Agreements on social security aim to resolve the issues of the double payment of social security insurance premiums and pension entitlement. They are expected to facilitate interpersonal exchange and strengthen further bilateral relations, including economic exchange, by reducing the burden on Japanese companies and citizens working overseas. The total number of countries that have concluded or signed such agreements with Japan now stands at 24 as of December 2025.

(2) International Organizations

A World Trade Organization (WTO)

(A) Challenges Facing the WTO and WTO Reform

The WTO, which marked its 30th anniversary in 2025, has contributed to the economic growth of Japan and the world as the foundation of a rules-based, free and open multilateral trading system. The world is currently facing a number of geopolitical challenges, as well as changes in the global economy such as the growth of digital trade, and new challenges such as non-market policies and practices and economic coercion. It is undeniable that the WTO has not been able to adequately address these crises and challenges, and the need for WTO reform has never been more urgent if the multilateral trading system, with the WTO as its core, is to be maintained and strengthened.

Against this backdrop, Japan is promoting international efforts to reform the WTO, placing particular

emphasis on improving decision-making to enable the formulation of rules in line with the times, the issue of “special and differential treatment” for developing countries, addressing non-market policies and practices, and reviewing the dispute settlement system.

(B) Formulation of rules in line with the times

The Agreement on Fisheries Subsidies, adopted at the 12th WTO Ministerial Conference (MC12) in June 2022, entered into force on September 15, 2025, for those members that had accepted it, upon acceptance by 111 WTO Members — corresponding to two-thirds of all WTO Members. The Agreement includes provisions prohibiting subsidies that lead to illegal, unreported, and unregulated (IUU) fishing and contributes to the sustainable use of living marine resources. The entry into force of the Agreement — the second newly established multilateral agreement since the WTO's establishment in 1995 — is also significant in that it demonstrates that the WTO's rule-making function remains fully operational. Japan is also engaged constructively in discussions toward an early conclusion of the “second wave” negotiations on the Agreement on Fisheries Subsidies, which aim to achieve comprehensive disciplines.

In addition to rule-making by all WTO members, such as the Agreement on Fisheries Subsidies, Japan has been promoting Joint Statement Initiatives (JSIs)⁽⁷⁾ as a new initiative for rule-making by like-minded members. The JSIs primarily cover three areas: investment facilitation, e-commerce, and services domestic regulation. Regarding investment facilitation, at the 13th WTO Ministerial Conference (MC13) in February 2024, the conclusion of the negotiations on the “Investment Facilitation for Development Agreement” was declared. Efforts have been made and still ongoing towards incorporation into Annex 4 of the WTO Agreement. Regarding e-commerce, Japan, together with Australia and Singapore, led the discussions as a co-convenor and contributed to publishing the text of the “Agreement on Electronic Commerce” in July 2024, and thereafter carried out coordination and outreach with other participating countries in order to

⁽⁷⁾ Joint Statement Initiatives refer to initiatives based on a joint statement issued by plurilateral like-minded members. They were adopted at the 11th WTO Ministerial Conference in December 2017, and mainly include initiatives on (a) services domestic regulation, (b) electronic commerce, and (c) investment facilitation.

incorporate this Agreement as an annex to the WTO Agreement. Regarding the new disciplines on services domestic regulation, on which negotiations among like-minded members were concluded in December 2021, the settlement between participating countries to incorporate the new disciplines into their schedules was completed in February 2024. As of December 2025, the disciplines have taken effect for 55 countries and regions including Japan, marking a concrete achievement of the rule-making by like-minded countries at the WTO.

(C) Dispute Settlement

The WTO dispute settlement system is aimed at seeking a rules-based settlement of economic disputes arising between WTO Members, whereby providing security and predictability to the multilateral trading system. Since December 2019, the Appellate Body (serving as the final instance) has “ceased to function” due to a failure to (re)appoint its members, falling short of the quorum required to hear an appeal, but the dispute settlement system itself continues to be used by WTO Members. In March 2023, Japan joined the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), which was launched by like-minded countries in 2020 as a framework to temporarily replace the functions of the Appellate Body, and has continued to actively participate in discussions on reform of the dispute settlement system even after joining the MPIA.

As of the end of December 2025, four cases to which Japan was one of the parties to the dispute had been brought to the WTO’s dispute settlement mechanism.

(D) 14th WTO Ministerial Conference (MC14)

In preparation for MC14, scheduled for March 2026, Japan actively contributed to discussions and stressed the importance of WTO reform and related matters at the Informal Gathering of WTO Ministers hosted by Australia in June 2025; the G20 Trade and Investment Ministerial Meeting and the APEC Economic Leaders’ Meeting and Ministerial Meeting in October of that year; and the G20 Summit in November of that year.

B Organisation for Economic Co-operation and Development (OECD)

(A) Features

The OECD is an international organization with 38 member countries with shared values for the purpose of economic growth, development assistance, and the expansion of free, multilateral trade. The OECD conducts research and analysis on a wide range of economic and social areas and makes specific policy recommendations. Through discussions held by approximately 30 committees, it has formed international standards and rules. Since its accession to the OECD in 1964, Japan has been actively engaged in OECD initiatives through discussions at various committees as well as financial and human resources contributions.

(B) 2025 OECD Ministerial Council Meeting

The 2025 OECD Ministerial Council Meeting (MCM), chaired by Costa Rica, was held in June in Paris, France, under the theme “Leading the Way towards Resilient, Inclusive, and Sustainable Prosperity through Rules-Based Trade, Investment and Innovation.” Japan was represented by five ministers and other officials, including Minister for Digital Transformation TAIRA Masaaki and State Minister for Foreign Affairs FUJII Hisayuki.

State Minister for Foreign Affairs Fujii spoke on the importance of maintaining and strengthening the multilateral trading system with the WTO at its core, economic security including responses to economic coercion, inclusive and sustainable economic growth, and outreach to non-member countries — particularly in Southeast Asia — in line with the concept of “co-creation.” In addition, State Minister for Foreign Affairs Fujii conveyed to OECD Secretary-General Mathias Cormann in a bilateral meeting that Japan’s commitment to the OECD remains unchanged.

In addition, on the occasion of the MCM, Japan co-hosted a side event titled “Enhancing Economic Security and Building Economic Resilience” together with Lithuania, the Vice-Chair country, with the aim of facilitating dialogue on the various challenges surrounding economic security.

(C) Initiatives in Various Sectors

The OECD plays an important role in shaping rules and standards in the economic and social spheres,

as well as in promoting these rules and standards in emerging economies through deepening cooperation with other international fora such as the G20, G7, and APEC. Its initiatives include leading discussions on reviewing the international taxation system, revising principles on AI and corporate governance, disseminating and implementing the G20 Principles for Quality Infrastructure Investment,⁽⁸⁾ and engaging in aid coordination.

(D) Outreach to Southeast Asia

With the growing significance of the Indo-Pacific region in the global economy, it is an important task for the OECD to strengthen relations with Indonesia, and Thailand and with which the OECD has opened accession discussions, other emerging economies in Southeast Asia and to promote the OECD's rules and standards. In this context, the OECD has been working to strengthen its ties with the region through policy dialogues, including through the Southeast Asia Regional Programme (SEARP). As part of these efforts, in August the "Co-creation Workshop on the OECD AI Policy Toolkit," hosted by the OECD, was held at the Japanese Ambassador's Residence in Bangkok, Thailand, where active discussions took place among AI experts from Southeast Asian countries with the aim of reflecting Southeast Asian perspectives in the AI Policy Toolkit, sharing the current situations and challenges in their respective countries.

Japan will continue to encourage future OECD membership from the Southeast Asian region, utilizing the OECD Tokyo Office and the technical cooperation of Japan International Cooperation Agency (JICA).

(E) Contributions in Terms of Financial and Human Resources

As of 2025, Japan was the second largest financial contributor to the OECD, covering 7.9% of the OECD's mandatory contributions (the U.S. is first, covering 18.3 %). Moreover, Japanese nationals have successively

served as one of the Deputy Secretary-Generals (including the incumbent Deputy Secretary-General, MASAKI Yasushi), and 88 Japanese staff work at the OECD Secretariat as of the end of 2024.

(3) G7

The G7, which marked the 50th anniversary of its founding in 2025, has been united in its response to the various challenges facing the international community. Amid rising uncertainty in the global economy and continuing challenges such as Russia's aggression against Ukraine, the two perspectives emphasized at the 2023 G7 Hiroshima Summit — upholding the free and open international order based on the rule of law, and strengthening engagement with international partners beyond the G7 — are becoming increasingly important, and were shared under Canada's G7 presidency in 2025.

At the G7 Kananaskis Summit, held from June 15 to 17, candid discussions took place among the G7 Leaders on topics including global economic outlook, economic security and the resilience and diversification of critical minerals supply chains, emerging technologies such as AI and quantum, wildfire response, as well as the international issues concerning Ukraine, the Middle East, and the Indo-Pacific.⁽⁹⁾ Guested countries and organizations participated in some of the sessions, and President Volodymyr Zelenskyy of Ukraine participated in the session on the situation in Ukraine.

Prime Minister Ishiba conveyed Japan's positions and efforts to G7 members and the international community as follows.

In Session 1, "Global Economic Outlook," Prime Minister Ishiba pointed out that the global economy is exposed to risks such as geopolitical tensions and natural disasters, and that uncertainty has further increased. He emphasized the necessity of maintaining close communication among the G7, reducing uncertainty of the global economy and working together to achieve stable growth.

⁽⁸⁾ Endorsed at the G20 Osaka Summit in June 2019, the Principles for Quality Infrastructure Investment include elements such as openness, transparency, economic efficiency, and debt sustainability.

⁽⁹⁾ For details about the G7 Kananaskis Summit, including the outcome documents, see the Ministry of Foreign Affairs website: https://warp.ndl.go.jp/web/20250801111500/https://www.mofa.go.jp/mofaj/pageit_000001_02025.html



In Session 2, “Economic Growth, Economic Security and Resilience,” Prime Minister Ishiba stated that strengthening and diversifying the supply chain resilience for critical minerals is an urgent issue and stressed the need for close coordination with the G7 and its partner countries to address this issue.

In Session 3, “Making Communities Safe,” Prime Minister Ishiba expressed his intention to work closely with other countries on wildfires. In addition, he commended Canada’s leadership in addressing Transnational Repression and stressed the importance of a coordinated response by each country. He further expressed Japan’s intention to continue to cooperate within the G7 to eliminate international crime organizations involved in migrant smuggling.

In Session 4, “Making the world secure,” regarding the situation in Ukraine, Prime Minister Ishiba stressed that unity of the G7 is important to prompt swift, positive, and concrete action from Russia. He further pointed out that the way peace is achieved in Ukraine could impact the entire international order, including the Indo-Pacific region, and emphasized the importance of establishing a peace framework that deters renewed aggression. Regarding the situation in the Middle East, in response to the Israel-Iran situation, Prime Minister Ishiba highlighted the importance of diplomatic efforts to de-escalate the situation. He also stated that the development of nuclear weapons by Iran is unacceptable, and the leaders reaffirmed the importance of resolving the nuclear issue through dialogue. Regarding the Indo-Pacific situation including China, while drawing on the fact that he had held meetings with many Asian countries since assuming office and the voices of Asia he has lent an ear to, Prime Minister Ishiba emphasized the importance of increased G7 engagement in the region.

In Session 5, “A strong and Sovereign Ukraine,” Prime Minister Ishiba stated that Japan would further promote public-private partnership assistance for recovery and reconstruction, including industrial development, in Ukraine. He also stated that Japan would continue to strengthen cooperation with like-minded countries, including NATO members, regarding the situation in Ukraine.

In Session 7, “Energy Security,” Prime Minister Ishiba pointed out that, in addition to the diversification of



G7 Kananaskis Summit (June 16, Kananaskis, Canada; Photo: Official Website of the Prime Minister's Office of Japan)

energy sources, the enhancement of supply chain resiliency and the diversification of the supply chain that support them are also challenges that the G7 and partner countries and organizations should work together to address. In addition, he pointed out the importance of quality infrastructure investment, which Japan has taken the initiative in advocating, and he also stressed the need to support large-scale infrastructure as well as grassroots efforts to improve the living standards of developing countries, such as providing electricity to rural areas and ensuring access to drinking water.

Additionally, under Canada’s G7 presidency in 2025, in addition to the Kananaskis Summit held in June, the G7 Leaders’ Video Conference was held in February to discuss the G7’s response to Russia’s aggression against Ukraine as well as on other matters.

A total of six G7 Foreign Ministers’ Meetings were held in 2025, including those held online. Following discussions from the previous year, the G7 Ministers engaged in close communication on international and regional situations such as the situations in the Middle East, Ukraine, and the Indo-Pacific.

At the G7 Foreign Ministers’ Meeting in Charlevoix, Canada held on March 13 and 14, in light of the G7 was marking its 50th anniversary, the G7 members discussed the role of the G7 in today’s international community and reaffirmed the importance of maintaining and strengthening the unity of the G7 for various issues in the international community.

At the G7 Foreign Ministers’ Meeting in Niagara, Canada held on November 11 and 12, the G7 reaffirmed the importance of communicating closely and cooperating as the G7 on regional situations and issues that have a significant impact on peace and security

of the international community, including the Middle East, the Indo-Pacific, and Ukraine. Regarding the situation in the Middle East, the G7 members reiterated their strong support for the Comprehensive Plan to End the Gaza Conflict put forward by the U.S. President Donald J. Trump and confirmed the importance of all parties engaging constructively in the Plan, including on humanitarian assistance. Regarding the situation in Ukraine, they confirmed the importance of an immediate ceasefire and of cooperating as the G7 to achieve a just and lasting peace. Regarding the situation in the Indo-Pacific, the G7 reaffirmed the importance of a free and open Indo-Pacific based on the rule of law and reiterated their strong opposition to any unilateral attempts to change the status quo by force or coercion, including in the East China Sea, the South China Sea, and across the Taiwan Strait. The G7 members discussed international and regional affairs and reaffirmed the importance of a coordinated response by the G7 to the various issues.

The G7 Trade Ministers' Meeting was held in Paris, France, on June 4 on the occasion of the OECD Ministerial Council Meeting, where the participating ministers engaged in active discussions on topics such as tackling non-market policies and practices that create overcapacity, strengthening economic security and supply chain resilience, and resolving challenges facing the international trading system.⁽¹⁰⁾

(4) G20

The G20 is the “premier forum for international economic cooperation,” in which major developed and emerging economies participate, accounting for more than 80% of the global GDP. At the G20 Johannesburg Summit held in South Africa on November 22 and 23, discussions were held on important issues facing the international community, including the global economy as well as disaster risk reduction, debt sustainability, critical minerals, AI, and the situations in Ukraine and the Middle East.⁽¹¹⁾ In addition, the leaders gathered in Johannesburg released a Leaders' Declaration

recording the points of agreement reached under South Africa's G20 Presidency.

Prime Minister Takaichi introduced the specific initiatives that Japan has been leading in the G20 and emphasized the importance of finding common ground and points of agreement rather than focusing on division and confrontation, and of advancing concrete cooperation and collaboration toward resolving challenges in a manner in which all G20 members share responsibility, a view that gained the support of many members. Prime Minister Takaichi also stated that Japan will continue to actively contribute to resolving the various issues facing the international community, working closely with G20 members including the U.S., the G20 Presidency for 2026.

The G20 Foreign Ministers' Meeting was held in Johannesburg, South Africa, on February 20 and 21, attended by Foreign Minister Iwaya. At the meeting, participants discussed regional affairs including the situations in Ukraine and the Middle East, as well as initiatives toward the G20 Summit in November. Foreign Minister Iwaya stated that, amid the compound crises facing the international community, it is important to firmly restore an international order based on the rule of law to ensure peace and stability in the international community, and that unilateral attempts to change the status quo by force should never be tolerated anywhere in the world. Additionally, on September 25, the Second G20 Foreign Ministers' Meeting Under South Africa's Presidency was also held at UN Headquarters on the theme “The United Nations at 80 years: Reaffirming Peace as a path to sustainable economic development,” with discussions mainly focused on the reciprocal relationship between peace and sustainable economic development, G20 initiatives to solve various global issues, and the enhancement of cooperation with international organizations including the UN, etc.

(10) For details about the G7 Trade Ministers' Meeting, see the following website:
https://warp.ndl.go.jp/web/20250801111500/https://www.mofa.go.jp/mofaj/pageit_000001_02025.html

(11) For details about the G20 Johannesburg Summit, including the outcome documents, see the following website:
https://www.mofa.go.jp/ecm/epc/pageite_000001_01378.html

(10)



(11)





G20 Johannesburg Summit (November 23, Johannesburg, South Africa; Photo: Official Website of the Prime Minister's Office of Japan)

(5) Asia-Pacific Economic Cooperation (APEC)

APEC is a framework of economic cooperation in which 21 economies (countries and regions) in the Asia-Pacific region participate.

The Putrajaya Vision 2040, which outlines APEC's medium- to long-term direction, clearly states that “Our vision is an open, dynamic, resilient, and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations.” Under this vision, the organization is carrying out activities such as liberalizing and facilitating trade and investment in the region, promoting regional economic integration, and engaging in economic and technical cooperation in the region. Japan's active involvement in APEC and promotion of regional cooperation is of great significance to supporting the country's economic growth and the overseas expansion of Japanese companies.

In 2025, the Republic of Korea (ROK) held the APEC Chairmanship. Under the theme “Building a Sustainable Tomorrow” and the priorities “Connect, Innovate, Prosper,” active discussions took place not only on trade and investment issues but also on new challenges such as AI, demographic changes, and cultural and creative industries.

At the APEC Economic Leaders' Meeting held in Gyeongju, ROK, on October 31 and November 1, the “2025 APEC Leaders' Gyeongju Declaration” was adopted, which set out the realization of the APEC “Putrajaya Vision 2040” including achieving a free, open, and fair trade and investment environment, as

well as many other elements that Japan attaches importance to, such as the promotion of quality infrastructure investment, the building of a trustworthy AI society, responses to demographic changes, and the stable supply of electricity.

Prime Minister Takaichi emphasized the importance of maintaining and strengthening a rules-based, free and fair international economic order and advancing WTO reform for realizing sustainable development and prosperity in the Asia-Pacific region, and expressed Japan's determination to work on expanding fair competitive conditions through maintaining and strengthening the high standards of the CPTPP and expanding its membership, and ensuring the transparent implementation of the RCEP, as well as on promoting strategic growth investment through the diversification of supply chains to enhance resilience against risks such as natural disasters, and public-private cooperation in the development of quality infrastructure. She also argued for the importance of cooperation on the “safe, secure, and trustworthy AI” ecosystem; advancing AI governance for generative AI through the “Hiroshima AI Process”; promoting digitalization to address the declining birthrate and aging population, creating work environments where everyone can work comfortably; and combating piracy and counterfeiting to promote the content industry.

Furthermore, at this Economic Leaders' Meeting, it was decided that Japan will serve as the APEC Chair in 2031.

(6) Intellectual Property Protection

Strengthening the protection of intellectual property is crucial to promoting innovation and achieving economic growth. From this perspective, Japan is contributing to the strengthening of multilateral collaboration at APEC, the WTO (TRIPS),⁽¹²⁾ and the World Intellectual Property Organization (WIPO). In addition, Japan is working to improve an environment for ensuring that Japanese intellectual property is appropriately protected and utilized both domestically and internationally through means such as establishing high-standard provisions on the acquisition and exercise of intellectual property rights in bilateral and

(12) TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights): An agreement on trade-related aspects of intellectual property rights.

multilateral economic partnership agreements that include the CPTPP, RCEP Agreement, Japan-EU EPA, and Japan-UK CEPA.

At the same time, in order to provide prompt and effective support to Japanese companies facing increasingly serious intellectual property issues such as counterfeit and pirated goods worldwide, MOFA has appointed Intellectual Property Officers at almost all diplomatic missions overseas, and is collecting information,

strengthening coordination with relevant local organizations, and engaging the authorities of the countries concerned. MOFA also holds regular meetings for these officers with the aim of sharing up-to-date information on each country and region, experience in responding to infringement cases, and relevant knowledge, in order to strengthen the response systems of diplomatic missions overseas. In 2025, a meeting was held targeting Japanese diplomatic missions in China.

4 Economic Security

(1) Economic Security

A Trends Surrounding Economic Security

In recent years, various challenges have been surfacing in fields that cut across national security and the economy. The scope of the national security domain is expanding rapidly. Various risks are emerging, such as the risk of stolen or leaked advanced civilian technologies being converted to military use in other countries, the risk of suppliers influenced by foreign governments obstructing the stable operation of critical infrastructure such as those for telecommunications, the risk of disruptions to the supply of critical goods due to over-dependencies on other countries, and the risk of being targeted by economic coercion by some countries seeking to achieve political objectives by using their advantages in the supply chain or their purchasing power in the market as leverage.

In light of the emergence of various threats related to economic means, securing Japan's national interests such as peace, security, and economic prosperity by carrying out economic measures, in other words economic security, is becoming increasingly important.

In the face of various economic threats at hand, the National Security Strategy (NSS), formulated in December 2022, also lays out that Japan will coordinate ideas on necessary economic measures and execute these measures comprehensively, effectively, and intensively to enhance Japan's self-reliance and to secure the advantage and indispensability concerning its technologies and others.

In light of the fact that it has become clear that supply chain vulnerabilities can have adverse impacts in diverse fields even from the perspective of development,

the Development Cooperation Charter approved by the Cabinet in June 2023, as one of the priority policies in Japan's development cooperation, advocates promoting cooperation to enhance resilience and diversification of supply chains as well as economic diversification, sustainable development of critical mineral resources, and stable supply and security of food, among other forms of cooperation, in order to strengthen the socioeconomic autonomy and resilience of developing countries.

In addition, domestic legislation related to economic security has progressed. In May 2022, Japan enacted the Economic Security Promotion Act centered around four pillars: enhancing the resilience of supply chains, ensuring the stable provision of essential infrastructure services, supporting the development of advanced critical technologies, and non-disclosure of selected patent applications. Various systems related to these four pillars are currently being implemented. In November 2025, Prime Minister Takaichi instructed Minister in charge of Economic Security Onoda Kimi to swiftly commence discussions toward the amendment to the Economic Security Promotion Act.

In May 2024, the Act on the Protection and Utilization of Critical Economic Security Information, which introduces a security clearance system in the field of economic security, was enacted. It entered into force in May 2025.

B Recent Initiatives by Other Countries

Other countries have also been rapidly advancing initiatives to promote economic security in recent years.

In the U.S., President Trump took office on January 20 and issued numerous executive orders related to

economic security, including the “America First Trade Policy,” which sets out a policy of defending the economy and national security by strengthening domestic industries and technological dominance through the “Unleashing American Energy,” aimed at securing cheap and reliable energy in the U.S.; and the “Removing Barriers to American Leadership in Artificial Intelligence,” aimed at maintaining and strengthening the global AI dominance of the U.S. In addition, citing concerns that imports of products from other countries could harm national security, the U.S. implemented tariff measures on steel and aluminum, automobiles and automotive parts, copper semiprocessed products and derivatives, and lumber and its derivatives under Section 232 of the Trade Expansion Act of 1962. It also conducted investigations by the Secretary of Commerce under the same provision regarding semiconductors, pharmaceuticals, and critical minerals etc., scrutinizing the national security implications of imports of these critical goods. Furthermore, at the end of August, the U.S. Department of the Interior announced a proposal to add potash, silicon, copper, silver, rhenium, and lead to its list of minerals critical to the economy and national security (the critical minerals list). With regard to AI, the White House announced in July the “Winning the AI Race: America’s AI Action Plan,” centered on three pillars: accelerating AI innovation, building AI infrastructure, and leading international AI diplomacy and security.

In the EU, efforts continue to be advanced based on the “European Economic Security Strategy” issued in June 2023 and the five initiatives announced in January 2024 to promote the Strategy, comprising foreign investment screening, export controls, outbound investment, support for research and development involving technologies with dual-use potential, and research security. Regarding outbound investment, a European Commission recommendation based on a public consultation was published in January. The proposed revision of the regulation on the screening of foreign investments was adopted by the European Parliament in May and by the EU Council in June, respectively, with the process moving to trilogue negotiations involving the European Commission. European Commission President Ursula von der Leyen confirmed the need to address economic security

challenges including securing critical raw materials and strengthening supply chain resilience at the G7 Kananaskis Summit in June and in her State of the Union Address in September. Furthermore, led by the Commissioner for Trade and Economic Security, the “Economic Security Package” was announced in December, designating six high-risk priority areas: reducing strategic dependencies in goods and services, attracting secure investment, promoting a strong European defense and space industry and other critical industrial sectors, ensuring EU leadership in critical technology areas, protecting sensitive information and data, and defending critical infrastructure.

Australia has, thus far, positioned the securing of national resilience and the protection of assets and infrastructure as its national interests, and advanced concrete measures to that end. These include the formulation of the Australia’s International Cyber and Critical Technology Engagement Strategy (April 2021), which sets out the policy of promoting the identification of technologies that should be protected, and the tightening of investment screening systems for land and businesses related to sensitive national security (January 2021). Furthermore, in November 2024, Australia amended the Security of Critical Infrastructure Act 2018 to further enhance security. This includes measures such as promoting information sharing between public and private entities by clearly stipulating the protection of trade secrets provided by businesses and other parties to the government, and introducing powers that allow regulators to issue remedial orders pertaining to the mandatory development of risk management programs by critical infrastructure owners and operators.

Canada announced its Critical Minerals Strategy in 2022 and strengthened its efforts ranging from the research and exploration of critical minerals to their recycling. In January 2024, Canada issued a statement on new measures to protect Canadian research, which incorporates the publication of a list of named research organizations connected to military, national defense, or state security entities that may pose a risk to Canada’s national security, as well as a list of sensitive technology research areas, and asserts that grants and funding will not be provided to research in these areas if any of the researchers involved in activities supported by the grant

are affiliated with, or in receipt of funding or in-kind support from, a university, research institute or laboratory connected to such entities. In August of the same year, the Government of Canada announced measures — including a 100% surtax on Chinese-made electric vehicles (EVs) and a 25% surtax on steel and aluminum goods imported from China, with the aim of protecting Canadian workers and major economic sectors from China's unfair trade practices. These surtax went into effect in October of the same year.

C Diplomatic Efforts Toward the Promotion of Economic Security

Diplomacy plays a significant role in promoting economic security. Japan, in cooperation with the international community, is engaged in active diplomacy in areas such as further strengthening cooperation with its ally and like-minded countries, responding to issues based on existing rules, and rule-making to address new challenges.

In relation to further strengthening cooperation with its ally and like-minded countries, Japan leverages bilateral efforts including through the Japan-U.S. Economic Policy Consultative Committee Meeting (the Economic “2+2”) and economic security consultations, as well as cooperation under the G7, Japan-Australia-India-U.S. (Quad), and Japan-U.S.-ROK, to expand and deepen cooperation with a view to developing common recognition and coordinating policies.

With regard to responses based on existing rules, Japan has been working in coordination with like-minded countries to seek correction of unfair trade policies and practices by other countries, from the perspective of consistency with existing rules such as World Trade Organization (WTO) agreements. Furthermore, Japan gathers and analyzes information on economic security measures and trade rules, drawing on the efforts of like-minded countries, and works to ensure that Japan's economic security policy needs are appropriately met.

With regard to rule-making to respond to new challenges, existing international agreements are not sufficient for addressing areas such as critical and emerging technologies, economic coercion, and others. In fields where there is a need to further develop international rules, Japan continues to play a leading role in

international debates in cooperation with like-minded countries.

D Cooperation with its Ally and Like-minded Countries

Following on from last year, Japan continued to make particularly significant progress in cooperation with its ally and like-minded countries in 2025.

Under the G7 framework, at the G7 Kananaskis Summit held in June, three Leaders' Statements related to economic security were released: the “G7 Critical Minerals Action Plan,” the “G7 Leaders' Statement on AI for Prosperity,” and the “Kananaskis Common Vision for the Future of Quantum Technologies.” At the Summit, Prime Minister Ishiba emphasized that strengthening and diversifying critical minerals supply chains is an urgent challenge and stressed the need to work closely with the G7 and partner countries to address it. He also pointed out that the role of resource-rich countries is extremely important, and that cooperation is vital in launching new mineral resource projects for supply chain diversification and in frameworks such as the “Partnership for Resilient and Inclusive Supply-chain Enhancement (RISE),” aimed at raising local added value in developing countries.

At the OECD Ministerial Council Meeting held in June, it was confirmed that a rules-based, open and fair multilateral trading system with the WTO at its core is important and indispensable for building more stable, predictable, and resilient supply chains. At the side event on “Enhancing Economic Security and Building Economic Resilience,” co-hosted by Japan and Lithuania as Vice-Chair country, a call was made for strengthened multilateral cooperation toward enhancing economic resilience and ensuring global economic stability, while noting the role the OECD plays in maintaining the international trading system.

At the G7 Trade Ministers' Meeting held in June, the ministers engaged in active discussions on topics such as addressing non-market policies and practices resulting in overcapacities, strengthening economic security and supply chain resilience, and resolving challenges facing the global trading system.

At the Japan-Australia-India-U.S. (Quad) Foreign Ministers' Meeting held in July, the Ministers concurred to launch the “Quad Critical Minerals Initiative,” in

order to strengthen economic security and collective resilience by collaborating on securing and diversifying critical minerals supply chains.

Japan-U.S.-ROK Foreign Ministers' Meetings were held in February, April, July, September, and October, during which the three countries have continued discussions on economic security. For example, at the Japan-U.S.-ROK Foreign Ministers' Meeting held in September, they welcomed the fact that action-oriented discussions among the three countries had contributed to tangible trilateral efforts. They also exchanged views on economic security, such as enhancing supply chain resilience, including for critical minerals, and protecting and promoting critical and emerging technologies, including quantum and AI. They reaffirmed their commitment to working closely together in these fields.

With regard to Japan's relations with the U.S., at the Japan-U.S. Summit Meeting held in February, the two leaders confirmed cooperation to lead the world in strengthening the bilateral industrial base and developing critical technologies such as AI, quantum computing, and advanced semiconductors, as well as to strengthen efforts to counter economic coercion and build resilience, in order to bring the economic partnership to a new dimension. They also resolved to continue discussions to align policies for the further promotion and protection of critical sensitive technologies, including through export controls, and for the strengthening of supply chain resilience. Furthermore, at the Japan-U.S. Summit Meeting held in October, Prime Minister Takaichi and President Trump signed a document on critical minerals and rare earths ("Japan-U.S. Framework for Securing the Supply of Critical Minerals and Rare Earths through Mining and Processing"). Furthermore, they concurred to further strengthen economic security initiatives in a wide range of fields, including critical technologies such as AI, as well as shipbuilding.

With regard to relations with European countries, in March, the first Japan-UK Economic 2+2 Ministers' Meeting ("Economic 2+2") was held in Tokyo, at which the ministers of both countries discussed four themes: Economic Security, Enhancement of Free and Open International Trade, Energy Security, and Engagement with Third Countries including the Global South. In October, the Second Meeting of the

Japan-Germany Economic Security Consultations was held in Tokyo, building on the outcomes of the Japan-Germany Summit Meeting held in July 2024. Furthermore, in November, the second Japan-France Economic Security Working Group was held under the Exceptional Partnership announced between the leaders of Japan and France in December 2023, based on the Roadmap on Japan-France Cooperation (2023-2027). The representatives of both countries discussed key economic security issues such as enhancement of supply chain resilience, including for critical minerals; non-market policies and practices; addressing overcapacity; and the protection of critical and emerging technologies. The two countries also concurred on the importance of further strengthening bilateral cooperation as well as coordination in international fora including the G7, for which France will hold the Presidency in 2026.

With regard to Japan's relations with the EU, at the sixth Japan-EU High-Level Economic Dialogue held in May, the two sides exchanged views on their respective initiatives regarding economic security and confirmed the importance of cooperation among like-minded partners. They also confirmed the substantial progress achieved under the "Transparent, Resilient and Sustainable Supply Chains Initiative," and concurred to continue cooperation on strengthening and diversifying critical minerals supply chains, and promoting and protecting critical and emerging technologies. Furthermore, at the 30th Japan-EU Summit held in July, the two sides discussed economic security, and concurred to launch the "Japan-EU Competitiveness Alliance" and to promote concrete cooperation in a wide range of areas including economic security.

With regard to Japan's relations with the ROK, at the Japan-ROK Summit Meeting held during President Lee JaeMyung's visit to Japan in January 2026, the two leaders concurred on deepening discussions going forward among relevant ministries in order to promote strategic and mutually beneficial cooperation in the field of economy and economic security. Additionally, they held in-depth discussions on the cooperation regarding supply chain.

With regard to Japan's relations with Australia, at the 12th Japan-Australia 2+2 Foreign and Defence Ministerial Consultations ("2+2") held in September,

Japan and Australia concurred on further strengthening collaboration in economic security, including through the utilization of the Japan-Australia Economic Security Dialogue. They also affirmed their commitment to enhancing specific cooperation in areas such as supply chain resilience, critical minerals, energy, and undersea cables.

As for India, at the Japan-India Summit Meeting held during Prime Minister Narendra Modi's visit to Japan in August, the two leaders launched the Japan-India "Economic Security Initiative" in order to strengthen cooperation between the two countries, including building resilient supply chains for critical materials, and released the "Fact Sheet on Japan-India Economic Security Cooperation," which lists concrete initiatives by industry, academia, and government. In the Fact Sheet, the two countries identified semiconductors, critical minerals, information and communications technology, clean energy, and pharmaceuticals as key sectors that will receive heightened priority for strategic cooperation.

In relation to Canada, Japan announced the "Japan-Canada Action Plan for contributing to a free and open Indo-Pacific region" in 2022, which includes cooperation in the field of energy security. Furthermore, the two countries signed Memorandums of Cooperation Concerning Battery Supply Chains and Industrial Science and Technology respectively in September 2023, further accelerating cooperation in these fields.

With regard to Japan's relations with Southeast Asian countries, during Prime Minister Ishiba's visit to Viet Nam in April, Japan and Viet Nam concurred on expanding cooperation in economic security. During Prime Minister Hun Manet's visit to Japan in May at the Japan-Cambodia Summit Meeting, Japan and Cambodia shared the recognition of the importance of economic resilience and economic security and concurred to maintain and strengthen the international economic order. Furthermore, at the Japan-U.S.-Philippines Foreign Ministers' Meeting held in July, the three Ministers concurred on further strengthening and materializing cooperation among three countries in areas such as enhancing the resilience of infrastructure,

information and communications, and supply chains of resources including critical minerals. Subsequently, during Prime Minister Takaichi's visit to Malaysia in October to attend ASEAN-related summit meetings, at the Japan-Malaysia Summit Meeting, she confirmed with Prime Minister Anwar Ibrahim that Japan and Malaysia will further enhance cooperation in the field of economic security such as stable liquefied natural gas (LNG) supply, rare earths, and AI.

(2) Securing a Stable Supply of Energy at Affordable Prices

A The Current Situation Concerning Energy in Japan and Abroad

(A) Situation in the World

Changes in recent years have been seen in the international energy market with respect to three areas: (1) demand (consumption), (2) supply (production), and (3) resource selection. Regarding (1) demand, global demand for primary energy has shifted towards non OECD member countries, primarily China and India. With respect to (2) supply, the U.S. became the world's largest producer of both oil and natural gas due to the "Shale Revolution,"⁽¹³⁾ and liberalization of export controls on crude oil in December 2015. The U.S. is promoting energy export policies such as further exports of the U.S. LNG. As for (3) resource selection, based on the fact that production and usage on energy account for about two-thirds of greenhouse gas (GHG) emissions, the transitions to cleaner energy resources such as renewable energy are accelerating. In addition, since the Paris Agreement on climate change was adopted in December 2015, companies and other organizations have made further progress in their efforts toward low-carbonization. Since 2021, numerous countries around the world have declared that they will achieve carbon neutrality in the second half of this century. On the other hand, energy prices, which had been on an upward trajectory since 2021, experienced significant volatility in 2022 amid the energy crisis caused by Russia's aggression against Ukraine, and since October 2023 due to the intensifying situation in the Middle East.

⁽¹³⁾ Shale Revolution: In the latter half of the 2000s, new technologies were developed in the U.S. for drilling oil and natural gas from rock layers called "shale," and it became possible to do so at economically viable costs. As a result, U.S. crude oil and natural gas production increased significantly, affecting international affairs in many ways.

Energy prices in 2024 have retrieved relative stability. In 2025, oil prices temporarily rose due to the intensification of the situation in the Middle East triggered by Israel's attack on Iran in June, but subsequently, energy prices have remained relatively stable (as of the end of 2025) owing to the easing of tensions, as well as the loosening of supply and demand conditions resulting from concerns over economic slowdown caused by U.S. tariff measures and the reduction in production cuts (i.e., increase in production) by the Organization of the Petroleum Exporting Countries (OPEC) +.⁽¹⁴⁾ However, the international community continues to face the challenge of how to achieve both the stable securing of energy and the realization of decarbonization.

(B) Situation in Japan

Since the Great East Japan Earthquake, the percentage of fossil fuels out of power generation in Japan has reached about 90% (approximately 67.5% in FY2024) in 2012, up from about 60% before the earthquake, due to the shutdown of nuclear power plants. Japan's primary energy self-sufficiency ratio (including nuclear power), which relies on imports from overseas for almost all of its oil, natural gas, coal and other energy resources, dropped sharply from 20% before the 2011 earthquake to 6.3% in 2014. In recent years, it has remained in the range of 12 to 13%, which remains at a low level compared to other OECD countries. Approximately 95% of Japan's oil imports come from Middle Eastern countries. With regard to LNG and coal, Japan depends less on the Middle East than for oil but almost completely on other countries. Under these circumstances, efforts to secure a stable supply of energy at affordable prices are becoming increasingly important. At the same time, there is also a call to address climate change.

B Diplomatic Efforts to Secure a Stable Supply of Energy at Affordable Prices

Securing a stable supply of energy at Affordable prices are the foundation for a vital Japanese economy and the livelihoods of its people. MOFA has been strengthening diplomatic efforts with a focus on the following activities.

(A) Gathering and Analysis of Resource-Related Information at Diplomatic Missions Overseas, and Strategy Meeting on Diplomatic Missions Overseas Concerning Energy and Mineral Resources

In order to focus on the acquisition and stable supply of energy and mineral resources, and with a view to strengthening the function of diplomatic missions overseas, "Special Expert for Energy and Mineral Resources" have been assigned to 60 diplomatic missions overseas in a total of 53 countries as of the end of 2025. These individuals collect and consolidate on-site information on oil, natural gas, coal, and critical mineral resources, and strive to build and strengthen comprehensive and mutually beneficial bilateral relations with resource-rich countries through liaison and coordination with private companies and related organizations.

Furthermore, since 2009, MOFA has been holding regular Strategy Meetings on Diplomatic Missions Overseas Concerning Energy and Mineral Resources, bringing together representatives of diplomatic missions overseas located in major resource-rich countries as well as ministries, agencies, institutions, experts, and companies, to discuss diplomatic efforts to ensure a stable supply of energy and mineral resources, formulate policy, and strengthen mutual cooperation. Going forward, MOFA will continue to share the current status and challenges of resource diplomacy efforts in each country, and deepen coordination between relevant domestic organizations and diplomatic missions overseas.

(B) Efforts for Energy Market Stabilization

Russia's aggression against Ukraine that began in February 2022 caused energy prices to soar, with oil prices exceeding 130 U.S. dollars per barrel and European gas market prices rising above 70 U.S. dollars per million BTU. This destabilized the energy market.

Amidst this situation, in February and March, Japan diverted to Europe a portion of the LNG handled by Japanese companies in order to alleviate the tight supply and demand of natural gas in Europe. In addition, as a member of the International Energy Agency (IEA), Japan conducted two collective releases of oil reserves

⁽¹⁴⁾ OPEC+ consists of OPEC member countries and major oil-producing non-member countries.

from March to April, releasing a total of 22.5 million barrels of petroleum reserves, the largest amount ever.

With regard to stabilization of the energy market, Japan has also been calling on resource-producing countries to stabilize the market and increase production. In May and September 2025, Prime Minister Ishiba held meetings with Crown Prince Sabah Khalid Al-Hamad Al-Sabah of Kuwait, and in May of the same year, Foreign Minister Iwaya held a meeting with Foreign Minister Prince Faisal bin Farhan Al-Saud of Saudi Arabia. In addition to making use of the opportunities presented by successive summit and ministerial-level meetings with oil-producing countries, Japan also makes efforts to lobby at various levels through its diplomatic missions overseas and relevant ministries and agencies.

(C) Initiatives and Results Achieved by International and Other Organizations

Japan makes active use of international fora and rules to coordinate and collaborate internationally toward achieving a stable energy supply and enhancing the diversity and resilience of supply chains for critical mineral resources. To ensure energy security and achieve realistic energy transitions toward decarbonization, Japan also communicates to the international community the importance of securing a stable energy supply and diversifying supply sources, as well as achieving a system for the stable supply of critical mineral resources essential for achieving energy transitions.

In March, Executive Director Fatih Birol of the IEA, visited Japan and paid a courtesy call to Prime Minister Ishiba, and also held a meeting with Foreign Minister Iwaya. At the courtesy call, Prime Minister Ishiba expressed gratitude for Executive Director Birol's support for Japan's energy policy, including his visit to TEPCO's Kashiwazaki-Kariwa Nuclear Power Station, and stated that cooperation with the IEA is increasingly crucial for Japan, which faces significant challenges in achieving energy self-sufficiency amid an unstable global energy security landscape. At the meeting, Foreign Minister Iwaya stated that the core mission of the IEA is energy security. In response, Executive

Director Birol stated that energy security remains at the core of the IEA's mission, expressed appreciation for Japan's contributions to the IEA, and conveyed his expectations for further strengthening of cooperative relations between Japan and the IEA going forward.

In April, the "Summit on the Future of Energy Security," co-hosted by the IEA and the UK, was held in London, and State Minister for Foreign Affairs Fujii attended on behalf of Japan. He noted the necessity of taking a broad perspective on the complex and evolving energy security landscape, pointed out that diversification, attention to geopolitical risks, and preparedness for emergencies remain crucial, and stated that Japan would continue to collaborate with various actors to bolster global energy security.

(D) Energy Charter Treaty

The Energy Charter Treaty (ECT) is a multilateral treaty that entered into force in April 1998 (entered into force for Japan in 2002). It was established as a legal framework for implementing the European Energy Charter, which called for promoting improvements based on market principles in the energy sector in the former Soviet Union and Eastern Europe following the collapse of the Soviet Union, as well as promoting trade and investment activities in the global energy sector. This treaty⁽¹⁵⁾ has been signed by 40 countries and organizations mostly located in Europe and Central Asia (as of October 2025). Following negotiations to revise the treaty since 2020, a Modernized text of the Energy Charter Treaty was adopted at the 35th meeting of the Energy Charter Conference in December 2024. The modernized treaty includes the application of the investment protection provisions of the treaty to new energy sources such as hydrogen and ammonia, clarification of the obligations of Contracting Parties regarding investment protection, more detailed procedure of Investor-State Dispute Settlement (ISDS), establishment of new provisions regarding sustainable development and corporate social responsibility, and provisions regarding further promotion of freedom of transit. Japan has contributed to the development of the ECT by serving as the chair of the Energy Charter

⁽¹⁵⁾ The ECT prescribes the liberalization of the trade and transit of energy source materials and commodities, the protection of investments in the energy sector, and other matters. It ensures a stable supply of energy from supply countries to demand countries, contributes to improving energy security for Japan, which largely relies on other countries for energy resources, and provides an important legal foundation for further improving the investment environment for Japanese companies overseas.

Conference in 2016, the first time for a chair to be from East Asia, and hosting the 27th meeting of the Energy Charter Conference in Tokyo. In addition, HIROSE Atsuko, a Japanese national, has been Deputy Secretary General of the Energy Charter Secretariat, established under the ECT, since September 2021.

(E) Efforts in the Public Relations Field

In March, MOFA held the Asia Energy Security Seminar in hybrid format under the theme of “Energy Security in Energy Transitions.” The seminar featured keynote presentations by experts from the IEA, the Center for Strategic and International Studies (CSIS), the Economic Research Institute for ASEAN and East Asia (ERIA), and the Institute of Energy Economics, Japan (IEEJ), followed by panel discussions on the actions required to address emerging energy security risks arising from the energy transition as well as traditional energy security risks that continue to evolve and persist, with lively discussion taking place.

(3) Ensuring Food Security

A Food Security Situation

The global food security situation has deteriorated rapidly and on a global scale, especially in Africa and the Middle East, due to Russia's aggression against Ukraine. This comes at a time when multiple risks including COVID-19, rising energy prices, climate change, and conflicts are impacting agri-food systems, causing supply chain destabilization and disruptions. There also exist many challenges to building sustainable and resilient agri-food systems, including how to best use land for food production, conduct agricultural production adapted to climate change, and make efficient use of fertilizers.

According to the 2025 State of Food Security and Nutrition in the World (SOFI)⁽¹⁶⁾ report, between 638 million and 720 million people worldwide faced hunger in 2024. While the number of people facing hunger has decreased in regions such as Southeast Asia, South Asia, and South America, it continues to increase in most parts of Africa and in Western Asia.

B Diplomatic Efforts to Ensure Food Security

To ensure food security in the international community, MOFA is implementing and building on the following diplomatic efforts.

(A) Cooperation in International Frameworks

At the G20, under the chairmanship of South Africa in 2025, a Food Security Task Force was established, and Japan actively contributed to the discussions. The “Ubuntu Approaches on food security and nutrition and excessive food price volatility,” formulated by this Task Force under the commitment to shape a future where all people have access to sufficient, safe, affordable, and nutritious food, aims to address the adverse impacts of excessive food price volatility particularly on low-income households, and to continue to ensure a resilient and sustainable food system and food security. The formulation of this document was also welcomed at the leader's level at the G20 Johannesburg Summit in November. At Session 2 “A Resilient World — G20's Contribution” of the Summit, Japan communicated that it would provide support for productivity enhancement tailored to the conditions of each region in order to build a resilient and sustainable agri-food system.

(B) Strengthening Cooperation with International Organizations

As a responsible member of the international community, Japan supports the activities of the Food and Agriculture Organization (FAO) of the UN, a specialized agency of the UN in the fields of food and agriculture. Japan, a major donor to the FAO, contributes significantly to strengthening global food security through the provision of development assistance that contributes to building resilient and sustainable food systems and the creation of international rules such as food safety standards. Japan also conducts Japan-FAO annual strategic consultations, working to strengthen Japan-FAO relations, including the reflection of Japan's policy direction in the FAO's programs.

⁽¹⁶⁾ The State of Food Security and Nutrition in the World (SOFI): SOFI is an annual report on global food insecurity and nutrition jointly prepared by the Food and Agriculture Organization of the UN (FAO), the United Nations Children's Fund (UNICEF), the United Nations World Food Programme (WFP), the International Fund for Agricultural Development (IFAD) and the World Health Organization (WHO).

(4) Fisheries (Tuna, Whaling, etc.)

Japan is one of the major fishing countries and consumers of fishery products in the world. Japan actively contributes through international organizations to the appropriate conservation management and sustainable use of marine living resources.

Japan advocates the view that cetaceans are one of the marine living resources that should be utilized in a sustainable manner based on scientific evidence. Based on the fact that the International Whaling Commission (IWC) has a dual mandate, that is, of “conservation of whale stocks” and “orderly development of the whaling industry,” Japan has sincerely engaged in dialogues based on scientific data collected for more than 30 years. However, it unveiled the fact that it is not possible to seek the coexistence with States that deny sustainable use of whales and focus exclusively on their protection. Therefore, Japan withdrew from the IWC in 2019 and resumed commercial whaling.

Japan limits commercial whaling to its territorial sea and Exclusive Economic Zone (EEZ) with catch limits calculated in line with the method adopted by the IWC, which is based on scientific evidence, and in a manner that will not adversely affect the stock even if the whaling continues for 100 years.

Japan's policy of actively contributing to international cooperation for the proper management of marine living resources has not changed since its withdrawal from the IWC. Since withdrawing from the IWC in 2019, Japan has continued to participate as an observer in IWC plenary meetings and the IWC Scientific Committee, and has been actively engaging and cooperating with international organizations such as the North Atlantic Marine Mammals Commission (NAMMCO). Japan has also developed non-lethal scientific research on whale stocks, some of which is conducted jointly with the IWC. The results are provided to the IWC and other international organizations as important data that can serve as a basis for realizing sustainable utilization and appropriate management of whale stocks.

Illegal, unreported, and unregulated (IUU) fishing is a serious threat to the sustainable fishing industry. Taking the opportunities presented by international conferences in 2025, including the ninth Tokyo International Conference on African Development



Training on IUU Fishing Countermeasures by JICA (September 10, Iwate; Photo: JICA)

(TICAD 9), the G7, G20, and APEC, Japan continued to confirm the importance of the international community working together to promote measures against IUU fishing. Furthermore, Japan has been encouraging non-contracting parties to sign the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA), which stipulates rules for port states to take measures against IUU fishing vessels, including denial of port entry. Japan is also providing capacity building assistance to developing countries for the purpose of countering IUU fishing, including the provision of relevant equipment.

In the Central Arctic Ocean, there are concerns about the possibility of unregulated fishing in the future due to partial melting of ice caused by global warming. Against the backdrop of these concerns, the Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean entered into force in June 2021 with 10 member countries and organizations, including Japan and five Arctic Ocean coastal states. At the fourth meeting of the Parties to the Agreement held in June 2025, discussions were held toward the formulation of conservation and management measures related to exploratory fishing.

As one of the largest tuna consumer countries, Japan has joined Regional Fisheries Management Organizations (RFMOs) for tuna, and leads discussions on establishing conservation and management measures (CMMs) at annual meetings and other occasions. In recent years, results are being seen from active efforts through international resource management. Regarding Pacific bluefin tuna, at the annual meeting of the Western and Central Pacific Fisheries

Commission (WCPFC) in December, progress in discussions on the development of a management procedure and other related matters was reported. In addition, at the annual meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT) held in November, an increase in the total allowable catch (TAC) for Atlantic bluefin tuna and the quota allocations for each contracting party for the period 2026–2028 was approved. As for southern bluefin tuna, at the annual meeting of the Commission for the Conservation of Southern Bluefin Tuna (CCSBT) held in October, based on the recommendation of the Scientific Committee, it was concurred to maintain the current TAC for 2026.

With respect to Pacific saury, at the annual meeting of the North Pacific Fisheries Commission (NPFC) held in Osaka in March, based on harvest control rules that automatically calculate total allowable catches for

Pacific saury based on its resource levels, an agreement was reached to reduce the TAC by 10%. For future meetings, it remains important to further improve resource management.

As for Japanese eel, the fourth scientific meeting on eel was held in June under the leadership of Japan. Scientific knowledge on the management of eel stocks was shared. Also in June, the 18th informal consultation on international cooperation was held in person in Shizuoka, where Japan, the ROK, China, and Taiwan discussed and confirmed the upper limits of glass eel input into aquaculture ponds, and the four parties issued a joint press release about the results of the consultation. (For discussions at the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Conference of the Parties concerning the conservation of Japanese eel, see Chapter 3, Section 2, 2. (4) A (B).)

Special Feature

OECD × Southeast Asia — Co-creating a New Future with AI —

Once, artificial intelligence (AI) seemed a distant symbol of the future. Yet today, its influence has become a tangible reality — from everyday decision-making to the very nature of the international order. Rather than dividing people from one another or nation from nation, AI is becoming a new language for “co-creation.”

The text up to this point was in fact written by AI. Did you notice? AI has already become embedded in our daily lives and is being used in every conceivable setting — from navigation applications to self-check-out registers — while at the same time posing challenges around ethics, trust, and inclusiveness. The Organisation for Economic Co-operation and Development (OECD) is seeking to present one set of solutions to these challenges.

To address both the opportunities and risks posed by AI, and building on a proposal from Japan, the OECD adopted the “OECD AI Principles” in 2019 — the first intergovernmental standard on AI. These principles call for AI to be designed and operated in a manner that respects democratic and human-centered values. In 2024, reflecting the outcomes of the Hiroshima AI Process,¹ the principles were revised to include, among other additions, provisions addressing the spread of disinformation and misinformation generated by generative AI.

As a policy instrument to give concrete form to these principles, the OECD is developing an “AI Policy Toolkit” that allows countries to assess the alignment of their own AI policies with the “OECD AI Principles,” and to refer to examples of AI utilization in other countries. This initiative serves the interests not only of member countries, but of the broader international community, including the Global South. However, such policy instruments are meaningless unless they permeate the international community, and one-way communication is likewise undesirable. Disseminating the “AI Policy Toolkit” across the international community, particularly to Southeast Asian countries and other Global South countries, remains a challenge.

From this perspective, Japan is seeking to play a role in “co-creating” the “AI Policy Toolkit” together with Southeast Asia in particular. For Southeast Asian countries as well, international standards on AI are important for achieving both economic growth and the development of resilient and secure AI systems. In August 2025, Japan co-hosted a Co-creation Workshop on the “AI Policy Toolkit” at the residence of the Japanese Ambassador in Bangkok, Thailand, with the participation of AI experts from Southeast Asian countries, Japan, and the OECD. The workshop aimed to reflect the Southeast Asian perspectives into the OECD’s “AI Policy Toolkit,” and active discussions took place among participants. The input obtained through the workshop will serve as valuable guidance as the OECD proceeds with further development of the toolkit. In this way, Japan will continue to act as a “bridge” between Southeast Asia and the OECD in the field of AI, carrying forward initiatives of importance to both sides.



Discussion scene at the OECD “AI Policy Toolkit” Co-creation Workshop (above) and group photo taken after the workshop (below) (August 6, Bangkok, Thailand)

¹ Hiroshima AI Process: A process for discussing international rules about generative AI, launched at the G7 Hiroshima Summit in May 2023, under Japan's presidency. In the G7 leaders' statement of December 2023, the “Hiroshima AI Process Comprehensive Policy Framework” including “Hiroshima Process International Guiding Principles for All AI Actors” and “Hiroshima Process International Code of Conduct for Organizations Developing Advanced AI Systems” was endorsed.