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Nakasone Peace Institute

【Report】

Outlook on the Situation on the Korean Peninsula in 2026 and Implications for Japan's Diplomacy

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Introduction

Since the beginning of 2026, the international situation has been undergoing major upheavals. The United States, following its attack on Venezuela at the start of 2026, launched an attack on Iran jointly with Israel at the end of February 2026. It is necessary to closely watch how these developments will affect the perceptions and actions of the Kim Jong Un regime in the Democratic People's Republic of Korea (DPRK), which has just held a Party Congress (the 9th Congress of the Workers' Party of Korea), the first in five years. In the Republic of Korea (ROK), the Lee Jae Myung administration, which took office in June 2025, is advancing "modernization" of the U.S.-ROK alliance in the context of the difficult environment of ongoing U.S.-China strategic competition, while at the same time aiming to develop the China-ROK "strategic cooperative partnership." It is necessary to pay close attention to how this "pragmatic diplomacy" centered on national interests will unfold going forward.

The Korea Study Group has been conducting monthly study sessions to analyze the current situation on the Korean Peninsula and organize key issues to identify future prospects and implications for Japan's diplomacy. This report compiles the points raised by the study group as subjects requiring attention within the respective expertise of each member, with the implications for Japan's diplomacy in mind. Although this report does not comprehensively cover the situation on the Korean Peninsula, it points out issues that should be closely observed in anticipating future developments and also presents suggestions for Japan's initiatives. The Korea Study Group regularly publishes commentaries analyzing their respective fields of expertise. Readers are encouraged to refer to these commentaries as well.

1. Managing Japan-ROK relations and promoting cooperation

(1) Building human networks

Japan-ROK relations have remained stable since the inauguration of the Lee Jae Myung administration in June 2025, and it is essential to maintain this stability. At present, shuttle diplomacy is carried out between the leaders; however, it would be desirable to expand shuttle diplomacy beyond the leaders and build stronger relations between the two countries by having regular mutual visits at the ministerial level as well.

With regard to the participants of ministerial exchanges, in addition to the ministers of foreign affairs and defense, who are responsible for diplomacy and security, mutual

visits by ministers responsible for areas such as health and labor, information and communications, and the environment should also be encouraged. For example, such visits would be meaningful as opportunities to discuss and cooperate on social challenges common to both Japan and the ROK—such as declining birthrates and aging populations—and as venues for showcasing Japan-ROK cooperation.

Further, in addition to official intergovernmental channels such as shuttle diplomacy, interpersonal exchanges between major political parties should be promoted. In such party-to-party exchanges as well, discussions should not be limited to the fields of diplomacy and security but should also address social issues common to both Japan and the ROK. Depending on the circumstances, efforts should be made to build broad human networks, for example by including political parties from third countries that face similar challenges.

In the case of the ROK, turnover among members of the National Assembly is substantial with each election, and shifts in administration between ruling and opposition parties occur relatively frequently. Therefore, it would be preferable to promote exchanges without placing too much emphasis on the number of times a legislator has been elected. Attention should also be paid to the ROK context in which, once someone has served as a member of the National Assembly, the individual may retain influence within their party or enter the administration as an aide or in another role even after they are no longer an incumbent.

(2) Cooperation in economic security

In Japan-ROK relations overall, it is desirable to continue the so-called “two-track” approach, ensuring the stable management of historical issues while expanding cooperation in feasible areas. Cooperation in the field of economic security appears to be promising.

Japan-ROK relations progressed smoothly in 2025, with steady developments such as the consistent shuttle diplomacy between the leaders. A sense of uncertainty regarding changes in the international order also played a role, and it can be said that both Japan and the ROK found it in their interest to stabilize their relations. The current situation is expected to continue in 2026, at least in the near term.

As both Japan and the ROK face various constraints in their economic relations with the United States and China, incentives for economic cooperation between Japan and the

ROK are likely to increase to a level not seen in recent years. Specifically, areas of cooperation include economic security, reportedly with rare earth procurement in mind, and supply chain cooperation, as agreed upon at the Japan-ROK summit meeting in January 2026. Promoting the ROK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) would also help institutionalize such cooperation.

(3) Institutionalizing security cooperation

In Japan-ROK security cooperation, the current trend of building mutual trust should be continued with the aim of ultimately institutionalizing cooperation. Not only in the economic sphere mentioned above but also in the security domain, strategic cooperation in which Japan and the ROK take on greater roles in the Indo-Pacific region to keep the United States engaged in the region will be necessary.

From 2025 to 2026, defense exchanges between the two countries have proceeded in a stable manner, including mutual visits by the Japanese and ROK defense ministers. In addition, there are signs of progress in exchanges at the unit level, such as the docking of the Republic of Korea Air Force's Black Eagles aerobatic team at a Japan Air Self-Defense Force base and the provision of refueling support. While maintaining this momentum, it would be preferable to promote joint exercises more actively, including Search and Rescue Exercises (SAREX).

Furthermore, it would be desirable if discussions could be held on the institutional foundations for such cooperation, for example an Acquisition and Cross-Servicing Agreement (ACSA) and a reciprocal access agreement (RAA).

(4) Implementing cooperation in the defense industry

In September 2025, then-Minister of Defense Nakatani Gen realized a visit to the ROK, the first by a Japanese Minister of Defense in 10 years. In the final paragraph of the Japan-ROK Defense Ministerial Meeting overview issued on that occasion, a sentence was included stating that the Defense Ministers "concurred on exploring possible cooperation in the area of cutting-edge science and technology, including artificial intelligence (AI), unmanned systems, and outer space."

In the press conference following the January 2026 Japan-ROK defense ministerial meeting between Minister of Defense Koizumi Shinjiro and Minister of National Defense

Ahn Gyu-back, Minister of Defense Koizumi stated, “from the viewpoint of developing Japan-ROK defense cooperative relations in a future-oriented and mutually beneficial manner, we confirmed that discussions between defense authorities will be held to explore cooperation in advanced science and technology fields, such as artificial intelligence, unmanned systems, and outer space.”

The fact that Japan and the ROK have effectively begun considering defense technology cooperation for the first time could eventually lead to defense industry cooperation between the two countries. At the same time, the ROK defense industry is currently seeking to reduce its dependence on Chinese components and materials. As such, it will become increasingly necessary in the future to build supply chains for defense equipment through cooperation among like-minded countries, including Japan, the ROK, and Australia.

While there is a certain level of consensus among policy authorities in both Japan and the ROK regarding the necessity of defense industry cooperation, deep-seated resistance remains among private companies in both countries, including concerns about technology theft. Both Japan and the ROK face declining birthrates, making it increasingly difficult to maintain military forces; therefore, the development of unmanned and labor-saving technologies has become a top priority. For this reason, it would be advisable to first aim at building steady cooperative relationships in less conspicuous but important areas, such as establishing supply chains for components used in drones.

2. Maintaining and developing Japan-U.S.-ROK cooperation

Trilateral cooperation among Japan, the United States, and the ROK has progressed smoothly despite changes in administration in each country. In particular, the Lee Jae Myung administration, which was launched following the impeachment of President Yoon Suk Yeol, who had been proactive in expanding Japan-U.S.-ROK cooperation, has also shown a stance that places importance on trilateral cooperation among the three countries.

The context includes not only the stalemate in inter-Korean relations but also the worsening international environment surrounding the ROK, including the growing rapprochement between Russia and the DPRK and the intensifying U.S.-China competition. The Takaichi Sanae administration has likewise emphasized maintaining a

free and open international order based on the rule of law, while placing importance on strategic cooperation among Japan, the United States, and the ROK.

Since the Phnom Penh Statement on Trilateral Partnership for the Indo-Pacific of 2022, Japan-U.S.-ROK cooperation has expanded to encompass the “Free and Open Indo-Pacific (FOIP),” and the strategic value of this cooperation is high. Japan should therefore devote further efforts to maintaining and developing trilateral cooperation among Japan, the United States, and the ROK.

At the same time, Japan must pay close attention to policy trends in the United States and the ROK. The Donald Trump administration has clearly emphasized a focus on the Western Hemisphere, and in the 2026 National Defense Strategy (NDS) announced in January 2026 the administration stressed the ROK’s responsibility for deterring the DPRK. In addition, the United States has called on the ROK to increase its defense spending, and the ROK has stated that, in line with its policy of modernizing the U.S.-ROK alliance, the ROK will allocate 89 trillion won for FY2026, a 7.6% increase from the previous year.

In contrast to the Yoon Suk Yeol administration, which promoted foreign and security policies based on values such as the rule of law and fundamental human rights, the Lee Jae Myung administration, which pursues pragmatic diplomacy centered on national interests, regards strengthening relations with countries in both the Global South and the Global North—in other words, the “diversification of diplomacy”—as an important task.

As part of this diversification of diplomacy, the Lee Jae Myung administration has called for the restoration of China-ROK relations. China-ROK summit meetings were held in November 2025 and January 2026, and various dialogue channels between the two countries were subsequently revived.

Although the Lee Jae Myung administration has expressed a commitment to prioritizing Japan-U.S.-ROK cooperation, the driving force behind this stance differs from that of the Yoon Suk Yeol administration. It is unrealistic for the ROK, which is allied with the United States, to disregard Japan-U.S.-ROK relations. However, if Japan-ROK relations were to deteriorate in the future, it cannot be ruled out that the effectiveness of trilateral cooperation—aimed at strengthening coordination between the U.S.-ROK alliance and the Japan-U.S. alliance—could be reduced.

Therefore, building close Japan-ROK relations is more necessary than ever to ensure the substantive effectiveness of Japan-U.S.-ROK cooperation.

3. A calm analysis of the situation in the DPRK

In dealing with the DPRK, it is important not to regard it as an irrational state but to recognize that it acts based on its own rational logic. The DPRK is often viewed as an irrational country that launches missiles to attract attention or to express dissatisfaction toward other countries, and that relentlessly pursues military strengthening even while its citizens suffer from hunger.

However, the DPRK believes that, to protect its state and regime against sanctions and pressure from the United States and other Western countries, the DPRK must sufficiently develop its own military capabilities, coordinate with China and Russia to achieve a “balance of power” with the United States and Western nations and thereby deter war in Northeast Asia. From the DPRK’s perspective, strengthening its military capabilities at any cost is therefore a rational decision.

For this reason, the DPRK’s intention to build a nuclear-powered submarine should not be underestimated. Even if it takes time, the DPRK will likely continue its efforts to achieve this goal.

Based on the DPRK’s own logic, abandoning its nuclear deterrent to obtain economic or humanitarian assistance would not be a rational choice. Rather, even dispatching troops to Russia and incurring casualties to strengthen relations with Russia and obtain military cooperation would be considered a rational option. Contrary to views that the strengthening of Russia-DPRK relations is only temporary, it should also be noted that the DPRK continues to deepen its ties with Russia not only in the military sphere but also across a wide range of areas, including the economy and culture.

In recent years, the DPRK appears to believe that, even under sanctions, it has set itself on a path toward development under the banner of “self-reliance” and has achieved a certain degree of success. For this reason, at present there is little incentive for the DPRK to respond to negotiations with the United States over the nuclear issue or to calls for humanitarian assistance by President Lee Jae Myung. On the premise of this logic and perceptions on the part of the DPRK, it is necessary to explore the possibility of dialogue with the DPRK.

4. Diplomacy aimed at breaking the deadlock in Japan-DPRK relations

In 2019, Prime Minister Abe Shinzo stated in his policy speech, “with myself meeting face-to-face with Chairman Kim Jong-un.” Similar wording continued to appear in policy

speeches every year thereafter, and in the 2024 policy speech Prime Minister Kishida Fumio went a step further by stating, “with a view to realizing summit-level talks with Chairman Kim Jong-un.” In Prime Minister Ishiba’s 2025 policy speech, the expressions “meeting face-to-face” and “summit-level talks” did not appear. However, in the 2026 policy speech, Prime Minister Takaichi once again delivered a positive message regarding a Japan-DPRK summit, stating, “I am making every effort to open a breakthrough, without ruling out any options, including holding a summit meeting with Chairman Kim.”

With the Liberal Democratic Party (LDP) achieving a landslide victory in the general election of February 2026 and Prime Minister Takaichi now consolidating the foundations for a long-term stable administration, the present moment represents a good opportunity to address diplomatic issues more proactively. The DPRK tends to be more willing to negotiate when the Japanese administration is stable, and it could be viewed that the appropriate environment is now in place.

However, since the DPRK views possession of nuclear weapons as strengthening its war deterrence capability, it is unlikely that it would put this fundamental premise of its security on the negotiating table. It is also extremely difficult for Japan and the DPRK to discuss the issue of “nuclear and missile development,” which is unacceptable to Japan. In addition to security issues, patient diplomacy will be required to comprehensively address bilateral concerns between Japan and the DPRK, including the abduction issue and postwar compensation issues.