US-Japan Alliance Digest

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Image source: Mainichi Shimbun

Headlines:

- Japan says US to rectify some inconsistencies in tariff deal
- Blackstone to purchase Japan tech staffing company
- US-Japan-UK exercises showcase F-35B operations, allied integration
- PM Ishiba and Amb Glass mark atomic bombing anniversaries
- NTT Data partners with Google Cloud on AI agents

Details:

- **Japan said Aug 8 the US agreed to correct some of its inconsistent interpretations of the US-Japan tariff deal,** confirmed unofficially by the White House Aug 9. One fix is a 'no-stacking' condition that Japan understood would not place new 15% reciprocal tariffs on top of existing tariffs (similar to the US-EU agreement). Implementing the changes will require a new executive order to be signed by the President, which may happen in September. Japan automakers are bracing for potential losses of 1.9 trillion yen ($12.9 billion) this year from 15% tariffs (up from 2.5% originally but down from the latest 25%). There are also conflicting views of proposed Japanese investments in the US: with Japan Chief negotiator Akazawa stressing Japan's $550 billion investments will be in equity, loans and guarantees by state-backed financial institutions, but Trump saying the investment is "seed money" to invest at his direction.
- **Blackstone, a US investment fund, will purchase the Japanese technology staffing company TechnoPro Holdings.** It plans to acquire all shares of TechnoPro Holdings on the Tokyo Stock Exchange for about 500 billion yen ($3.4 billion), making it the largest acquisition of a Japanese company in 2025. The stated goal of the acquisition is to take the company private and scale up TechnoPro's work using AI in order to address Japan's IT personnel talent shortage, which METI expects to reach 790,000 people by 2030.
- **Naval forces from Japan, the US, and the UK conducted naval exercises in the Philippine Sea from Aug 4-12.** During the aircraft carrier exercises, which included the JS Kaga, USS George Washington, USS America, and HMS Prince of Wales, F-35B stealth fighter jets from the US and UK both landed and took off from the JS Kaga. On Aug 7, Japan took delivery of its first three F-35Bs, which will eventually being assigned to JS Kaga and its sister ship JS Izumo. Meanwhile, HMS Prince of Wales received military asset protection from the JMSDF during the exercises, the first time Japan has extended such protection to a British military asset in a sign of Japan's deepening defense cooperation with US allies.
- **Prime Minister Ishiba and US Ambassador Glass attended as Hiroshima and Nagasaki marked the 80th anniversary of the US atomic bombings during World War II**. It was Ambassador Glass's first visit to Hiroshima and Nagasaki since assuming office in April. In PM Ishiba's speech at the ceremony in Hiroshima, he acknowledged the dwindling number of surviving Hibakusha (atomic bomb survivors), calling for a world without nuclear weapons and said that Japan will uphold the Three Non-Nuclear Principles. In 2024, Hibakusha advocacy group Nihon Hidankyo was awarded the Nobel Peace Prize recognizing its advocacy for nuclear disarmament.
- **Japan's NTT Data announced the conclusion of a new global strategic tie up with US's Google Cloud**. The partnership would involve NTT Data using Google's Gemini generative AI to develop and promote AI agents to US firms for use in sales, marketing, and other tasks in place of humans. NTT Data already has smaller scale arrangements with other US companies like OpenAI and Oracle.

"US-Japan Alliance Digest" is a bi-weekly summary of bilateral and related developments compiled by Sasakawa USA's "US-Japan NEXT Alliance Initiative." To receive "Alliance Digest" via email, contact dhinkley@spfusa.org.