

TRICELLIX

NATIONAL RESILIENCE ASSESSMENT

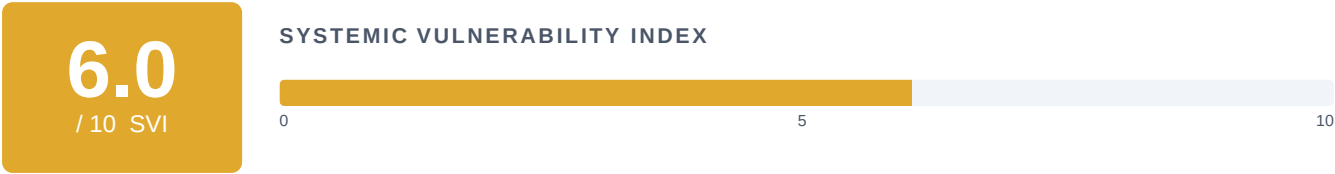
Japan

Japan · Edition 2026

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SYSTEMIC VULNERABILITY INDEX
High exposure

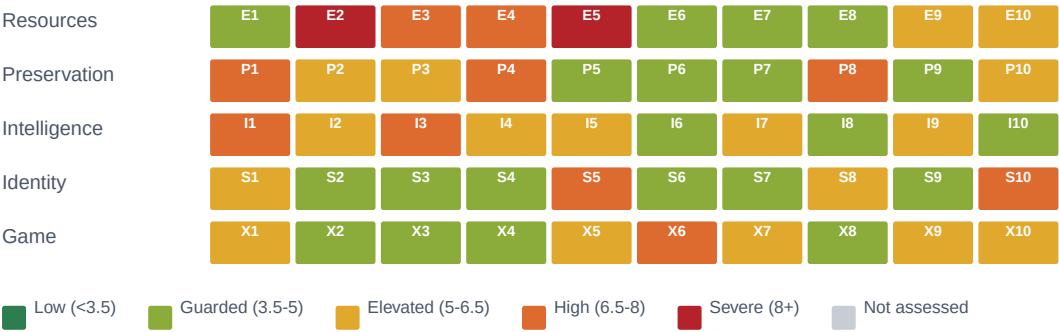
Executive Risk Dashboard



Layer Vulnerability



Component Exposure Map



The Assessment Framework

This report evaluates Japan's systemic exposure to threats across five domains. The Systemic Vulnerability Index (SVI) aggregates them on a 0–10 scale, where higher values indicate greater exposure. The five domains are:

- Resources

Dependence on energy, food, water, and raw materials, and the supply lines that deliver them.
- Preservation

The capacity to defend and physically protect — military posture, cyber defense, and critical infrastructure.
- Intelligence

The integrity of intelligence, decision-making, and the information environment.
- Identity

Social cohesion, institutional trust, and the legitimacy that binds the nation together.
- Game

External standing — alliances, reputation, and leverage within the international system.

1. Executive Summary & Key Findings

Japan's Systemic Vulnerability Index (SVI) reads 6/10: moderate-high vulnerability in a state of high capability. The committee-level version is short. Japan's institutions, money, legitimacy and reputation sit at the sturdy end of the

scale. Its supply lines, its sight beyond its borders and its defences against penetration sit at the exposed end. The country will not fail from within. It is exposed to being cut off from without, and to seeing that coming too late.

The distribution behind the verdict carries more information than the number. Eighteen of the fifty components score 6.0 or above, and none scores below 3.5. Japan has no single catastrophic weakness and no single unassailable strength. Its exposure is clustered, and the clusters reinforce one another. The five most vulnerable components are trade-route chokepoints (E5, 8.7), energy imports (E2, 8.55), counterintelligence (P8, 7.5), critical materials (E4, 7.4) and conventional military deterrence (P1, 7.4). Three describe what Japan must bring in by sea. The other two describe whether Japan can protect that flow and its own secrets. The least vulnerable components are international reputation on governance (X3) and statistical sensing (I10), tied at 3.5, followed by the two legitimacy measures (S6 and S7, both 3.65) and sector reputation (X4, 3.8). Japan's political order, its standing and its knowledge of its own economy are its anchors.

Across the five domains, Resources is the most vulnerable at 6.92, followed by Intelligence (6.07) and Preservation (5.96). Identity and Game tie at 5.61. The economy, the state and the society are robust. The physical inputs that feed all three are imported, and they arrive almost entirely through ports and sea lanes that Japan does not control.

What the verdict means for the whole system

Japan's resilience depends on a sequence. Inputs arrive by sea. Industry transforms them. Exports pay for the next shipment. The state keeps the sequence secure, and the public tolerates the cost. Resources holds the inputs. Preservation and Intelligence decide whether a threat to them is seen and deterred. Identity holds the domestic tolerance for sacrifice. Game holds the alliances that would keep the lanes open.

At 6/10, the sequence holds under normal stress and most single shocks. It has one route to rapid failure: a disruption at sea that Japan's own sensing and defences do not anticipate or absorb. The sturdy domains slow such a failure. They do not prevent it. Legitimacy, the banking core and reserves would buy time. The binding constraint is physical: fuel, grain and ore that would have to arrive regardless.

Key findings

Finding 1: The sea lanes are Japan's throat, and the most exposed point in the assessment. Trade-route and logistics chokepoints (E5) score 8.7, the most vulnerable component overall. The Ministry of Land, Infrastructure, Transport and Tourism states that ports are the mainstay for 99% of Japan's foreign trade and 42% of its domestic distribution [#73]. The US Energy Information Administration lists Japan among the top importers of crude oil through the Strait of Malacca and among the region's top LNG importers relying on Malacca transit of Persian Gulf and African cargoes [#74].

Distance does not dilute the exposure. Japan has 34,600 km of coastline, and roughly 42% of its population lives near a harbor [#73]. A closure at a distant strait becomes a domestic distribution problem within the same supply cycle. World Bank port rankings show competent infrastructure: Yokohama topped the inaugural Container Port Performance Index 2020, though it fell to 15th in CPPI 2022 [#789]. Competence at the quay does not shorten the route to it.

Finding 2: Energy is the cargo that would fail first. Energy imports (E2) score 8.55, the second-highest component. The International Energy Agency describes Japan's natural gas system as having "near-total dependence" on imported LNG [#15]. METI's FY2024 report puts thermal generation, excluding biomass, at 67.5% of a 0.9911 petawatt-hour mix, with renewables including hydro at 23.1% and nuclear at 9.4% [#14]. The IEA also credits long-term contracting, diversified sourcing, extensive terminal capacity and strategic buffers with giving Japan a high level of resilience [#15].

The finding is precise. Japan has built buffers against market disruption. It has not removed its physical dependence on a seaborne fuel that dominates power generation. A price shock is manageable. A sustained interruption of delivery is a different event. Food and materials follow the same pattern. Imports make up 62% of calories on MAFF's calorie-supply basis [#37], and 99.8% of wheat supply comes from the United States, Canada and Australia [#36].

The USGS records Japan as the second-ranked importer of metallic ores, slag and ash in 2019, at 8% of global trade by value, and attributes this to depleted domestic resources and the absence of mine production [#50]. Food and water security (E3, 6.8) and critical materials (E4, 7.4) carry the same maritime dependency into the kitchen and the factory.

Finding 3: Pressure on Japan's approaches is sustained and concentrated in the southwest, while conventional deterrence remains a top-five exposure. Conventional military deterrence (P1) scores 7.4. The Air Self-Defense Force flew 595 fighter scrambles in FY2025. By its estimate, about 61% were against Chinese aircraft and 36% against Russian aircraft, and the Southwestern Air Defense Force flew 348 of them [#342]. In December 2025 a Chinese aircraft carrier sailed east of Okinawa to east of Amami-Oshima for the first time. J-15 fighters launched from it intermittently illuminated JASDF F-15s with radar. The same month, Chinese and Russian bombers flew a long-distance joint flight [#184]. A Chinese Coast Guard helicopter entered territorial airspace around the Senkakus in May 2025 [#184].

Japan is responding with money. FY2026 defence expenditure, including SACO and US force realignment costs, exceeded 9 trillion yen for the first time [#733]. The score registers that spending has not yet converted into deterrence proportionate to the pressure. That pressure falls on the southwestern waters through which much of the seaborne supply in Finding 1 approaches the home islands.

Finding 4: Japan is weakest where it must detect hostile intent: penetration at home, collection abroad, and sight beyond its borders. Counterintelligence and insider-threat program (P8) scores 7.5, the highest in Preservation and third in the assessment. Strategic intelligence collection capability (I1) scores 7.1, the highest in Intelligence. External reconnaissance and intelligence reach (X6) scores 6.7, the highest in Game.

The visible record is thin and pointed. In July 2024, 218 Maritime Self-Defense Force personnel were disciplined over evidence that unqualified crew could access specially designated secrets, including ship locations shown on bridge and combat information centre screens. Asia Policy Point describes the action as unprecedented and says the underlying problems cannot be corrected immediately [#309]. AP and Kyodo report that 17 Japanese citizens with ties to China have been detained since China's 2014 anti-spying law, and that an Astellas employee was sentenced to 3.5 years for espionage in July 2025 [#308].

On collection, the Ministry of Defense describes the Defense Intelligence Headquarters, established in 1997, as Japan's largest intelligence agency [#359]. The Defense Buildup Program commits it to strengthening signal, imagery, human and open-source capabilities [#358]. A commitment to build is evidence of a gap that remains.

The counterintelligence picture is known chiefly through press and think-tank reporting. Official prosecution counts, vetting coverage under the security-clearance regime, and published incident reviews from the Ministry of Defense and the Public Security Intelligence Agency would show whether the 2024 case was an outlier or a pattern. Until they are published, the true state of Japan's counterintelligence is an open question, and the score carries that uncertainty.

Finding 5: The balance sheet is a buffer under strain, and demography is narrowing the base that carries it. Fiscal sustainability (E9) scores 5.75, while currency and reserves (E8, 4) and the banking core (E6, 4.7) sit among Japan's sturdier economic components. The IMF projects gross debt to fall through 2034 but remain above 190% of GDP, the highest among major economies, and then to rise from 2035 [#147]. It expects the primary deficit to rise from 0.9% of GDP in 2025 to 1.5% in 2026, ending five consecutive years of improvement [#147]. IMF staff report that sovereign bond yields have climbed rapidly, with term premia driven by geopolitical tensions, perceived domestic political uncertainty and higher fiscal risk [#110].

The offsets are real. Reserves covered 14.0 months of imports in 2025 [#131]. The Bank of Japan's April 2026 Financial System Report judges that banks hold sufficient capital and stable funding to withstand a global-financial-crisis-type shock and a combined geopolitical shock including higher crude oil prices [#92]. The IMF Executive Board stresses a flexible exchange rate as a credible shock absorber [#130].

Beneath the balance sheet, the population is shrinking faster. The 2025 census counts 123.05 million people on 1 October 2025, 3.097 million (-2.5%) fewer than in 2020, with population falling in 1,558 of 1,719 municipalities [#164]. The 65+ population reached a record 29.6% in September 2026, the highest of 39 countries compared [#631]. Labour supply (E10, 6.2) and generational cohesion (S5, 6.5) carry this into the economy and the social contract. Each year, a smaller working population services a large debt stock and funds a rising defence bill.

Finding 6: Political legitimacy is Japan's deepest reserve, and its territorial settlement is contested from three directions. Both legitimacy components (S6 and S7) score 3.65, the lowest in the Identity domain. Freedom House scores Japan 96/100, with Political Rights at 40/40 and Civil Liberties at 56/60 [#578]. Transparency International ranks it 18th of 182 at 71/100 [#774]. High or moderately high trust in the national government rose from 24% in 2021 to 46% in 2025, above the OECD average of 40% [#616]. That trust is partisan. The gap in trust in the legislature between government voters and others is 27 percentage points, among the largest in the OECD [#699].

Constitutive territory integrity (S10) scores 6.5, tied with S5 for highest in the domain. The Defense White Paper 2026 digest records Russian construction of troop facilities and deployment of new coastal systems in the Northern Territories, and intensifying Chinese activity around the Senkakus [#714]. MOFA states that the Republic of Korea illegally occupies Takeshima and has rejected every Japanese proposal of ICJ referral since 1954 [#715]. No dispute involves Japan's populated core. All three are live.

Finding 7: Japan's alignment has become a dependency, and its multilateral voice is narrowing. Neutrality and alignment position (X5) scores 6.4, second in Game. The US alliance remains the backbone: Article 5 commits joint action in an armed attack, and Article 6 grants facilities to US forces [#734]. A February 2026 Congressional Research Service update records concern among many Japanese observers that President Trump may pursue a partnership with China that would undermine Japanese interests [#802]. Japan has begun to widen the base. The Japan–Australia Reciprocal Access Agreement entered into force on 13 August 2023 as Japan's first defence treaty with an international partner since 1960 [#286].

In the multilateral arena, Japan was not among the five states elected on 3 June 2026 to non-permanent Security Council seats for 2027–2028 [#885]. This follows its election for 2023–2024, its 12th term, more than any other UN member [#759]. ODA fell to USD 16.2 billion in 2025, a third consecutive annual decline [#862]. These are early signs of a smaller footprint, not yet a lost one.

The most dangerous cascade path

The fastest path from stress to systemic failure starts in the sensing and security domains and ends in Resources. A gray-zone escalation begins in the southwestern approaches: coast guard incursions, air activity of the kind behind 348 Southwestern scrambles in one year [#342], or carrier operations east of the Nansei chain [#184]. Japan's warning depends on collection it is still building [#358] and on external reach that ranks as Game's weakest point (X6, 6.7). Penetration of the kind exposed in the 2024 MSDF case [#309] would degrade its picture further.

Late or ambiguous warning slows decision. The political system can move quickly in principle: the Constitution makes designation of the Prime Minister precede all other Diet business [#429]. In practice, a government that dissolved the House in January 2026 to seek a mandate for a changed coalition [#430] faces a legislature whose trust divides sharply along partisan lines [#699].

From there, the escalation reaches the sea lanes. Insurers, carriers and LNG shippers do not need a blockade to reroute or pause. Japan's thermal-heavy generation mix [#14], near-total LNG dependence [#15] and port-borne foreign trade [#73] turn a maritime disturbance into rationing of power and inputs within weeks. Critical infrastructure protection (P4, 6.7) adds a second front. JPCERT/CC notes that industrial control systems generally lag behind information systems in security countermeasures [#238]. A cyber operation on grid or port control systems during the same escalation would compound a physical shortage with operational failure.

The final stage is fiscal and political. Supplementary spending on energy relief and defence lands on a primary deficit already widening to 1.5% of GDP [#147]. It enters a bond market where term premia already price geopolitical and fiscal risk [#110]. Reserves of 14.0 months of imports [#131] and the high trust of 2025 [#616] would hold the line for a period. They would not replace cargo.

Two circuit-breakers exist: early warning, which buys time to reroute and draw stocks, and allied escort, which keeps lanes open. Both rest on the components that score worst outside Resources.

Strategic bottom line

For a decision-maker, the priority order follows the cascade.

First: shorten the distance between a maritime disruption and a domestic shortage. The IEA credits Japan's LNG buffers and contracting with resilience [#15]. Test those buffers against a sustained physical interruption, not a price spike. Size stockholding for LNG, wheat and priority ores against Malacca and southwestern-approach scenarios, and exercise rerouting plans with carriers and insurers. Every measure that does not reduce days-to-shortage is secondary.

Second: close the detection gap. The counterintelligence and collection components are where the cascade begins. The DIH build-out [#358] and the cyber workforce targets of about 4,000 in cyber-related units by end-FY2027 and about 20,000 total MOD/SDF cyber personnel by around FY2027 [#844] are the right instruments. Measure delivery against those dates. Audit and publish the fix the MSDF case exposed [#309]. A counterintelligence posture that cannot be assessed cannot reassure allies who share intelligence with Japan.

Third: harden the control systems behind ports and power. The ESPA prior-screening system for essential infrastructure, in force since 17 May 2024, lets the government order preventive measures for facilities at high risk of foreign interference [#324]. The National Cybersecurity Office, established in July 2025 [#207], and the Active Cyber Defense framework of public-private collaboration, communications-data detection and remote neutralisation [#845] give the state legal reach. The test is whether port and grid operators are brought inside that reach before an escalation, not during one.

Fourth: spend legitimacy deliberately. Japan's 96/100 Freedom House score [#578] and 46% government trust [#616] are political capital. Spend them on the unpopular choices the first three priorities require: stockpile costs, energy-mix decisions and defence outlays exceeding 9 trillion yen [#733]. Keep that spending within a fiscal path the bond market accepts [#110].

Fifth: widen the alliance base before it is needed. The Australia RAA [#286] is the model. Every additional reciprocal-access and logistics arrangement with a maritime partner reduces the single-patron exposure behind X5 and hedges against the scenario in the CRS report [#802].

What to watch

Six indicators would show the cascade path activating or closing:

- **Southwestern air and sea activity.** Track the Southwestern Air Defense Force's share of scrambles against the FY2025 baseline of 348 of 595 [#342], and any repeat of carrier transits and radar illumination east of the Nansei chain [#184].
- **Japanese government bond term premia.** The IMF has already tied rising yields to geopolitical and fiscal risk [#110]. A sustained jump during a regional incident would mark the fiscal stage arriving early.
- **The FY2026 primary deficit outturn** against the IMF's 1.5% projection [#147], and any further supplementary budget.
- **Counterintelligence disclosure.** Watch for prosecutions, vetting data or a published audit following the 2024 MSDF case [#309]. Silence is itself a reading.

crisis-management sector is needed to stand up emergency ministerial meetings swiftly [#434]. CFR notes that Takaichi hastened completion of the five-year defense plan, under which spending will reach 2 percent of GDP, and called for revision of the national strategy by yearend. It adds that by the 2000s KomeitM, then the LDP's coalition partner, held the most influence over security policy choices [#439].

Institutional quality indicators are high, with specific weak points. Freedom House's Freedom in the World 2026 rates Japan "Free" at 96/100, with Political Rights 40/40 and Civil Liberties 56/60, unchanged from the prior year [#252]. The country scores 4/4 on judicial independence and 4/4 on due process in civil and criminal matters [#251]. The judiciary is independent and judges cannot be removed arbitrarily [#253]. Freedom House nonetheless notes that observers argue trials often favor the prosecution and that police can detain suspects up to 23 days without charge [#259]. It names ethnic and gender-based discrimination and claims of improperly close relations between government and the business sector as outstanding challenges [#250], and notes that retiring bureaucrats often quickly secure high-paying positions with firms receiving significant government contracts [#440]. Transparency International's 2025 Corruption Perceptions Index gives Japan 71 of 100, ranking it among 182 countries and territories alongside Bhutan [#254]; the score is unchanged from 2024, against a 2001–2025 range of 69 to 80 and an average of 74 [#261]. The World Justice Project ranks Japan 15th of 143 countries in its 2025 Rule of Law Index [#256], after 14th of 142 in 2024 [#258].

The 2023–24 LDP slush fund scandal is the principal recent integrity failure. Prosecutors dropped charges against 65 LDP politicians on 26 January 2024, and Kishida's cabinet approval fell to 17% [#257]. The Diet's June 2024 political-funding reform was called insufficient by opposition parties [#440]. Freedom House also notes that officials have at times withheld information from lawmakers and the public in connection with political scandals, even though Japan scores 4/4 on openness and transparency [#437].

Japan's population was 122,972,528 on 1 October 2025 in the final census results, 3,173,571 (2.5%) below 2020 and the third consecutive census decline [#174]. Preliminary counts had put the figure at 123.05 million, a decline of 3.097 million with population down in 1,558 of 1,719 municipalities (90.6%) [#164]. Japanese nationals fell 3.5% to 119,131,935, while foreign residents rose 39.8% to a record 3,840,039 [#174][#604]. The share aged 65 and over rose from 28.5% to 29.4% [#174].

Births are falling faster than the population. Preliminary 2025 vital statistics recorded 671,236 births, down 2.2% and the lowest since records began in 1899, with a total fertility rate of 1.14, the lowest since 1947; both have fallen for ten consecutive years [#171]. The child population (under 15) was an estimated 13.29 million on 1 April 2026, or 10.8% of the population, the lowest ratio since comparable data began in 1950, after 45 consecutive years of decline [#175].

The working-age base has shrunk from its peak. The 15–64 population reached 87.26 million at the 1995 census and fell to 75.09 million in 2020 [#165]. The Statistical Handbook of Japan 2025 gives 73.73 million (59.6% of the population), after a record-low share of 59.4% in 2021 and 2022, with 36.24 million aged 65 and over in 2024 [#168]. IPSS projects the 65+ share to reach 38.7% in 2070, up from 28.6% in 2020, with the total population falling below 100 million in 2056; higher international migration would slow the decline slightly [#165].

Labour supply has held up through participation. The Bank of Japan states that rising participation among women and seniors since the early 2010s more than offset the fall in the working-age population, and that participation among women aged 15–64 reached 78% in June 2025, from about 60% in the early 2000s [#167]. The labour force was 69,477,012 in 2025 [#166], and the unemployment rate was 2.5% in August 2026 [#169]. A secondary compilation of World Bank data gives 69,382,089 for 2024 [#170].

Migration is the main adjustment channel and is now politically managed. Foreign workers totalled 2.57 million at end-October 2025, up 11.7% on the year and a record for 13 consecutive years, nearly triple the roughly 900,000 of 2015 [#172]. Workers in professional and high-skilled statuses rose from about 167,000 in 2015 to 866,000 in 2025 [#172]. A government proposal would cap foreign workers in the two main labour-migration channels at 1,231,900 through end-FY2028, comprising 805,700 in Specified Skilled Worker Type 1 and 426,200 in the new Employment

for Skill Development programme [#173]. The programme replaces the Technical Intern Training Program in April 2027; at end-June 2025 there were 333,123 SSW Type 1 holders and 449,432 technical interns [#173].

The Immigration Services Agency counted 4,281,026 foreign residents at the end of June 2026, a record and 3.8% above end-2025. Chinese nationals were the largest group (941,031), followed by Vietnamese (693,750), South Koreans (408,682), Filipinos (362,761) and Nepalese (334,850) [#600]. Foreign residents were 3.48% of the population, with Tokyo hosting 824,486 [#605]. The 2025 census composition differs by definition: Chinese were 24% of foreign residents and Vietnamese 15.9%, while South and North Koreans combined were 10.4%, down from 15.8% in 2020 [#606].

Domestic minority communities are longstanding. Freedom House cites about 600,000 Japan-born ethnic Koreans with special residency privileges who cannot vote, an Ainu population of at least 20,000 and an estimated three million burakumin [#602][#598]. No national survey counts population by ethnicity [#603]. The Ainu were recognised by the government in 2018 and legislated in 2019, while Okinawans are not officially recognised as an Indigenous group [#603]. Freedom House scores Japan 3/4 on equal treatment of population segments [#596].

Public finances are the heaviest in the advanced world. The IMF projects general government gross debt at 206.8% of GDP in 2025 and 202.9% in 2026, falling to 193.1% by the end of its ten-year window, on its revised consolidated face-value definition [#158]. That change makes current figures incomparable with earlier vintages, which showed roughly 230–240% of GDP [#155]. Gross debt remains the highest among major economies [#150], and the IMF expects it to stay above 190% through 2034, then rise from 2035 as spending pressures build [#147].

The 2026 fiscal stance is expansionary. The primary deficit is projected to rise from 0.9% of GDP in 2025 to 1.5% in 2026, owing to a larger supplementary budget approved in December 2025, ending five consecutive years of improvement [#147]. The overall balance is projected at -1.1% of GDP in 2025 and -1.8% in 2026 [#157]. The Ministry of Finance, by contrast, projects the primary balance of central and local government as broadly balanced in FY2026 [#154]; the IMF and MoF figures use different perimeters.

Debt service is a rising claim on the budget. The FY2026 draft general account totals ¥122,309.2 billion, of which national debt service is ¥31,275.8 billion (25.6%), including ¥13,067.2 billion in interest payments [#151]. Bond issuance is ¥29,584.0 billion, the bond dependency ratio is 24.2%, and long-term central and local government debt is projected at ¥1,344 trillion (194% of GDP) at the end of FY2026 [#148][#151]. The budget's assumed interest rate was raised from 2.0% to 3.0%, adding about ¥1.0 trillion in estimated interest payments [#153]. The IMF projects interest payments to double from 2025 to 2031 as debt is rolled over at higher yields [#150], and Japanese sovereign yields have climbed to record highs, with potential spillovers to other countries [#152]. The Fiscal Monitor also expects the debt ratio to fall by about 14 percentage points on strong nominal growth [#152]. Even so, the IMF says high, persistent debt and a deteriorating balance leave Japan's economy exposed to a range of shocks [#149].

The financial system is very large and, on current official assessments, stable. Total assets were nearly seven times GDP at end-2023; banks hold 60 percent of system assets, and one-third of banking assets sit with three G-SIBs [#99]. The Bank of Japan's April 2026 Financial System Report finds stability maintained on the whole, with sufficient bank capital and stable funding to withstand stress scenarios that include a combined shock of higher crude prices, lower AI expectations and a substantial rise in interest rates [#92]. The IMF's 2026 Article IV puts the capital adequacy ratio of internationally active major banks at 17.1 percent at March 2025 (16.5 percent a year earlier), and 10.2 percent for domestically active regional banks [#95]. It says regional banks are more vulnerable than major banks, citing limited shock-absorbing capacity, larger unrealized securities losses, weak local credit demand and demographic headwinds [#98]. The 2024 FSAP flagged sizeable foreign-currency exposures at some banks [#94]. It also found no FMI-specific resolution regime in Japan [#103]. On financial integrity, FATF's 2021 evaluation noted terrorist-financing vulnerabilities from cross-border flows tied to Asia and the Middle East and from proximity to the DPRK [#97]. By the 2024 follow-up, a secondary summary reports Japan compliant with four Recommendations and largely compliant with 35, with none partially or non-compliant [#100].