



**Delhi Policy Group**

Advancing India's Rise as a Leading Power



## POLICY BRIEF

### India-Japan Relations: Shaping the Modi-Takaichi Era

*Author*

**Ashok Kumar Chawla**

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**Delhi Policy Group**

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)



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### Author

**Dr. Ashok Kumar Chawla**, Senior Fellow for India-Japan Security Studies, Delhi Policy Group

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### Cover Images:

1. Indian Prime Minister Narendra Modi holds bilateral talks with Japanese Prime Minister Sanae Takaichi at Hyderabad House, in New Delhi on July 02, 2026. Source: [Prime Minister of India](#)
2. Indian Prime Minister Narendra Modi hosted Prime Minister of Japan Sanae Takaichi for a dinner, on July 2, 2026. Source: [X/@takaichi\\_sanae](#)
3. Prime Minister of Japan, Sanae Takaichi and Indian Prime Minister, Narendra Modi, attended the "Japan-India Joint Economic Forum" hosted by the Japan External Trade Organization (JETRO), in New Delhi, on July 2, 2026. Source: [Ministry of Foreign Affairs of Japan](#)

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# India-Japan Relations: Shaping the Modi-Takaichi Era

*New Delhi Summit, July 1-3, 2026*

by

Ashok Kumar Chawla

## Introduction

When Japan's Prime Minister Sanae Takaichi arrived in India on July 1, she brought with her a high-powered business delegation and an agenda shaped by eight months of purposeful diplomatic engagement. The visit marked the first time the two leaders had met on Indian soil – and with it, the Modi-Takaichi era entered a new phase of concrete action, building on the strong trust-based foundation that has defined this relationship, and deepening it further in the context of a rapidly evolving geo-political environment. Political and strategic as much as commercial and economic security-driven, the visit brought all four dimensions together in a single summit – reflecting the maturity and depth this relationship has reached.

The 16th Annual India-Japan Summit, held in New Delhi on July 2, 2026, produced landmark outcomes across defence, economic security, energy resilience, AI and people-to-people cooperation.<sup>1</sup> The Joint Economic Forum saw participation from over 150 Japanese and 80 Indian companies, resulting in 129 private-sector cooperation agreements with anticipated investment of approximately 2 trillion yen. The overarching theme – “More Resilient and Prosperous Together” – captured both the ambition and the direction of the visit.

## A Relationship Built Through a Dense Diplomatic Track

What distinguishes the opening of this Takaichi chapter from previous transitions in the Japanese leadership is not novelty of vocabulary but density of engagement. In the eight months between her taking office and arriving in New Delhi, the relationship has been engaged at every level, both political and official.

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<sup>1</sup> Outcome documents: [https://www.mofa.go.jp/s\\_sa/sw/in/pageite\\_000001\\_01706.html](https://www.mofa.go.jp/s_sa/sw/in/pageite_000001_01706.html)

**October 29, 2025:** Within days of PM Takaichi assuming office, Prime Minister Narendra Modi placed a congratulatory call, in itself a signal of the priority Delhi attached to an early reset with the new Japanese leader. The two leaders are understood to have discussed taking forward the Special Strategic and Global Partnership in the spirit of the India-Japan Joint Vision for the Next Decade, launched in 2025. The tone was one of continuity and intent rather than any specific agenda, but the promptness of the exchange set the register for everything that followed.

**November 23, 2025:** The two leaders held their first in-person meeting on the sidelines of the G20 summit in Johannesburg. Here, the relationship moved from courtesy to substance. They reviewed progress since the 15th Annual Summit and pressed for swift implementation across defence, trade, AI, critical minerals, semiconductors, and people-to-people exchanges. Takaichi also locked in Japanese support for India's AI Summit in February 2026.

**Mid-June 2026:** A brief interaction on the side-lines of the G7 summit in Evian, coming immediately after Takaichi's most consequential economic security push in her G7 debut speech, kept the upcoming visit firmly on track.

Running underneath this leader-level track was an equally active ministerial channel. EAM Dr. S. Jaishankar held a bilateral meeting with Foreign Minister Motegi, and the two met again at the Quad Foreign Ministers' meeting, a reminder that the relationship is guided by the leaders but is worked continuously in parallel at the foreign-ministers' level.

### **What the Previous Summit Actually Delivered**

To assess this visit in context, it helps to recall what the 15th Annual Summit between PMs Ishiba and Modi in Tokyo had produced last year, because that is the baseline against which progress of the New Delhi visit should be measured, and not against the relationship's aspirational rhetoric.

That summit delivered on two tracks. The first was concrete, covering a revised Joint Declaration on Security Cooperation; movement on the UNICORN radar antenna transfer to the Indian Navy; the launch of the India-Japan Economic Security Initiative with an accompanying Fact Sheet; a new 10-trillion yen private investment target over five years, building on the previous 5-trillion-yen target that was met two years ahead of schedule; the Japan-India AI

Cooperation Initiative (JAI); a Joint Crediting Mechanism (JCM) for clean energy and technology transfer; and the Next-Generation Mobility Partnership (NGMP), which explicitly includes HSR co-development as a potential direction.

The second track was the India-Japan Joint Vision for the Next Decade: an ambitious eight-direction framework covering economic partnership, economic security, mobility, ecology, technology, health, people-to-people-ties, and state-prefecture linkages. In its current form, it is a comprehensive but undifferentiated list, a sum-total of everything both sides could agree to include, ranging from genuinely transformative commitments to aspirational placeholders. Some items are already being actioned; others may not be feasible easily in their current form. What that vision needed and what New Delhi had an opportunity to begin shaping is a built-in progress-tracking mechanism: a structured way to assess which commitments are moving, which have stalled, and which should be retired before the next summit adds another layer on top.

Of the concrete deliverables, three stood out as most consequential: the P2P target, the JCM, and the Economic Security Initiative. The P2P target – 500,000 exchanges in five years, including 50,000 skilled personnel – carries outsized significance because working-level human capacity has historically been the relationship's weakest link; even partial delivery would meaningfully deepen it. The JCM was a sleeper outcome, with real potential for high-grade technology and IP transfer and co-creation if both sides move into substantive co-development. The Economic Security Initiative was the most consequential but also the most conditional, wherein Japan brings a well-tested, institutionally grounded approach to economic security, backed by its 2022 Economic Security Promotion Act, a Cabinet-level minister, and JOGMEC (Japan Oil, Gas and Metals National Corporation) as its operational arm for critical mineral stockpiling and overseas resource investment. India's approach is anchored in an equally strong strategic vision, with the same ultimate objectives – supply chain resilience, technology sovereignty, and reduced dependence on single sources – pursued through a range of missions and initiatives that are gaining shape and momentum. The real test for the Economic Security Initiative is whether the New Delhi Summit gave it the operational structure to align these two approaches into a working partnership, one that can be progressively enriched with substance at the working level.

## Why Economic Security Is Personal for Takaichi

Economic security is not a portfolio item for PM Takaichi. It is her signature foreign policy theme, and the record is unambiguous.

At her first G7 summit in Evian in June 2026, her clearest imprint was on critical minerals. She secured a G7 agreement on supply-chain resilience and stockpiling, with Japan offering to share its own stockpiling expertise through JOGMEC with partner countries. She noted that Japan is the only G7 country with an existing stockpiling system for critical minerals for civilian use. This is rooted in lived experience. Japan's concern for critical minerals dates back to the 2010 Senkaku fishing boat incident, when China restricted rare earth exports as economic coercion. Since then, Japan has made substantial progress in diversifying its rare earth imports, though the dependence remains significant. In April 2026, ahead of the G7, Takaichi had already launched POWERR Asia to extend supply-chain resilience regionally.

Arriving in New Delhi days after the Evian G7, Takaichi brought that agenda directly to the bilateral table, making the Economic Security Initiative's substance, not its existence, the real measure of the summit. At the summit, Takaichi formally announced an 'Evolved FOIP' placing explicit emphasis on strengthening each partner nation's autonomy and resilience - and for the first time, explicitly aligned it with Modi's MAHASAGAR vision as two expressions of the same strategic intent.

### The Substance Test: Did New Delhi Summit Clear the Bar?

Japan's economic security framework predates this bilateral relationship and is institutionally far deeper than most observers appreciate. The 2022 Economic Security Promotion Act established four enforceable pillars – stable supply of critical products, resilient essential infrastructure, support for critical technology development, and non-disclosure of sensitive patents – explicitly elevated alongside diplomacy and defence as a pillar of Japan's National Security Strategy.

India's approach is anchored in the same strategic objectives but pursued through missions and initiatives (NCMM, PLI-driven initiatives, Atmanirbhar Bharat as an organising philosophy) rather than a unified statutory framework. This difference in institutional form, not intent, is what the bilateral Economic

Security Initiative needs to bridge. The question the New Delhi Summit had to answer was whether the two sides moved beyond reaffirming the Initiative's existence toward creating standing operational mechanisms, such as: joint stockpiling protocols, critical-mineral co-investment vehicles, or a shared early-warning framework for supply disruptions.

The New Delhi Summit cleared the bar – decisively. The India-Japan Joint Declaration on Economic Security Cooperation<sup>2</sup>, adopted at the summit, is the first standalone bilateral economic security declaration of this kind between the two countries. It elevates economic security to a foundational pillar, provides for establishment of a Track 1.5 Dialogue involving government, industry and domain experts; and, for Point of Contact for the project follow-up, and commits to project-based collaboration across five sectors: semiconductors, critical minerals, ICT, clean energy and pharmaceuticals. The GSI (Geological Survey of India) - JOGMEC MoC on mineral exploration and the Pharmaceuticals MoC on API supply chain vulnerability mapping gave two of those five sectors immediate institutional anchors. Launch of the India-Japan Cooperative Biogas for Growth (CBG) Initiative for biogas energy and IEA membership push for India by Japan gave the energy security pillar concrete institutional anchors. The New Delhi summit delivered the operational structure.

### **High Speed Rail as an Economic Security Project**

The Mumbai-Ahmedabad High Speed Rail project deserves a reframe that has not yet entered the mainstream: it is an economic security project, not merely a connectivity one.

The HSR project's gradual progress has had a quietly corrosive effect, creating a sense of stalled momentum, while the reality is that a substantial part of physical infrastructure has already been created through Japanese ODA and using Japanese technology. Even the overarching as well as constituting elemental concepts of the HSR are of Japanese origin. Reframing it around technology localisation, supply-chain creation for rolling stock and signalling systems, and skills transfer to Indian engineering talent under the NGMP does two things simultaneously: it gives the project a strategic rationale that is long-

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<sup>2</sup> Economic Security Joint Declaration: [https://www.mea.gov.in/incoming-visit-detail?41395/india\\_japan\\_joint\\_declaration\\_on\\_economic\\_security\\_cooperation](https://www.mea.gov.in/incoming-visit-detail?41395/india_japan_joint_declaration_on_economic_security_cooperation)

lasting, and it creates a natural channel for the joint R&D and co-development both governments have consistently desired to operationalise.

The summit reaffirmed HSR as a flagship project, with Japan committing to support commercial operations on a priority section by 2027 and acknowledging the E10 next-generation rolling stock. More significantly, PM Modi invited Japanese companies to explore opportunities across India's proposed 7,000 km HSR network - a signal that the relationship is ready to move from a single corridor to a national-scale co-development proposition. The Next-Generation Mobility Partnership MoC was signed, giving the NGMP formal institutional grounding.

### **Economic Security and Defence: Two Sides of the Same Coin**

The strongest proof-of-concept for concrete, progressive cooperation is not in any white paper – it is in the India-Japan automobile and ancillary industry. That cooperation did not just localise an industry; it triggered a technology revolution within India's domestic manufacturing base, built a deep supply chain, and enabled third-country exports – a genuine win-win-win, and in miniature, exactly what the FOIP vision was always meant to produce.

Defence manufacturing is the sector now positioned for the same approach. UNICORN - the radar antenna system for the Indian Navy, now confirmed as the first-ever India-Japan defence co-development project – should be read in the context of Takaichi's revised defence export guidelines, which have opened policy space in Tokyo that did not exist until recently. Going forward, how fast Bharat Electronics Limited (BEL) and its Japanese partners can integrate and manufacture UNICORN under Make in India will set the pace and the template. The direction to hold the next 2+2 Ministerial by end-2026, and both leaders' concurrence on exploring further defence equipment and technology projects beyond UNICORN, confirm that the auto-sector model – staggered, parallel, locally anchored co-development – is now the potential operative framework for the defence relationship as well. The working teams on both sides must move toward the next platform without waiting for UNICORN's conclusion.

Economic security and defence cooperation are, in this sense, two sides of the same coin - both ultimately about building resilient, locally anchored

capabilities that serve not just India and Japan, but like-minded partners beyond.

## **India's Semiconductor Opportunity: A New Frontier for India-Japan Cooperation**

India's semiconductor ambition is no longer at the planning stage - it is under construction. Two projects define the current landscape. At Dholera in Gujarat, Tata Electronics in partnership with Taiwan's PSMC is developing India's first commercial semiconductor fabrication plant, with a planned capacity of around 50,000 wafers per month, where India is building its front-end manufacturing capability in fabrication know-how, ecosystem development, and high-end manufacturing capacity. At Jagiroad near Guwahati in Assam, India is establishing its semiconductor packaging and testing hub, a segment of the value chain where Japanese companies, as equipment suppliers, technology partners, and investors, have particularly strong potential for participation. In Karnataka, Renesas Electronics, one of Japan's leading semiconductor companies, has already established a significant design and R&D presence, adding another node to the emerging India-Japan semiconductor geography.

The large business delegation accompanying Takaichi was here for a purpose. They were assessing a live opportunity: whether to participate in the expansion or diversification of a semiconductor ecosystem already taking shape – as supply chain partners, equipment suppliers, or as customers seeking to secure products meeting their specific requirements in function, quality, cost, and delivery. Either way, the visit offered something no briefing document can substitute – direct, firsthand understanding of India's working methods, industrial capabilities, and sourcing environment.

This is where supply chain cooperation graduates into co-creation. Japan brings precision manufacturing culture, equipment expertise, and decades of semiconductor industry experience. India brings scale, a growing engineering talent pool, and a policy environment actively fostering semiconductors as a strategic industry. The bilateral Economic Security Initiative provides the institutional framework; the semiconductor sector offers the most immediate opportunity to give it real substance. Japanese companies were formally welcomed to participate in India Semiconductor Mission 2.0 and SEZs, with cooperation confirmed in human resource development, manufacturing, R&D,

and design. Both sides also committed to strengthening digital infrastructure for AI – covering data centres, compute resources, and semiconductors – assessed jointly from an economic security perspective. Whether Dholera, Jagiroad, or Karnataka emerges as the first significant node of India-Japan semiconductor cooperation, the strategic direction is clear. The same logic extends to other economic-security areas - critical minerals, the Joint Crediting Mechanism, and resilient supply chains.

### **People-to-People: The Slow Variable That Underwrites Everything Else**

People-to-people ties are not a soft, peripheral concern – they are the foundation on which every other commitment rests. India and Japan do not have a trust deficit; trust is their most valuable asset. The real gap is between political convergence and the working-level human capacity needed to translate it into joint R&D, manufacturing, and financial structuring on the ground.

The target of 500,000 exchanges over five years, including 50,000 skilled personnel, is meaningful only if the skilled component is treated as the priority. Engineers for HSR co-development, technicians for semiconductor fabs, defence-industrial liaison officers: these are the professionals who can convert political commitments into ground-level outcomes, and who simultaneously serve as quality resource persons bridging the two sides. What will make them truly effective, however, is not just sectoral expertise but high-level Japanese language proficiency and the cultural adaptability to work within Japanese organizational environments. Without deliberate focus on this cohort in its full dimension, the headline number risks becoming a vanity metric.

The summit produced concrete anchors: two-way visitors crossed 540,000 in 2025, a record high. The Japan-India Governors' Network for Friendship and Exchange was established, and 2027 was designated the 'India-Japan Year of Shared Horizons' marking 75 years of diplomatic relations. This anniversary is a natural milestone, but realising it requires a clear roadmap: sector-specific exchange targets, eased visa and qualification-recognition pathways, and the Human Resource Mobility Forum converted into a standing mechanism with measurable annual deliverables. Intentions are in place; a structured implementation architecture is what is needed now.

## The Verdict

The 16th Annual India-Japan Summit will be remembered not for what it announced but for what it institutionalised. The dense diplomatic groundwork of eight months, from the first congratulatory call to Johannesburg to Evian, ensured that the New Delhi summit was never merely a meeting but a moment of structural consolidation. The participation of over 150 Japanese and 80 Indian companies, 129 cooperation agreements, and approximately 2 trillion yen in investments confirmed that political intent and commercial reality are finally converging in the same space.

Taken together, the summit's outcomes mark a qualitative shift: from frameworks to functioning mechanisms, from transfers to co-development, from bilateral goodwill to institutionalised architecture. UNICORN, confirmed as the first India-Japan defence co-development project, is the most visible expression of Takaichi's historic revision of Japan's defence export guidelines, which signals Tokyo's intent to move from cautious technology sharing toward genuine co-production partnership. The India-Japan Joint Declaration on Economic Security, notably, extends well beyond trade and supply chains, incorporating energy security, clean energy, critical minerals, pharmaceuticals, and digital infrastructure, signalling that economic security is now understood in its fullest strategic sense. And for the first time, FOIP and MAHASAGAR were explicitly seen as two visions from different national traditions, now acknowledged as convergent expressions of the same strategic intent.

The supporting framework has now been strengthened – in the working teams, the exchange pathways, the joint manufacturing floors, and the semiconductor fabs where the relationship's next chapter will actually be written. Trust between the two leaders, captured most simply in PM Modi welcoming Takaichi as “my younger sister,” and warmly reciprocated, provides a foundation that no declaration can substitute and no geopolitical turbulence can easily erode. If the last decade was about convergence, the next will be about execution. India-Japan relations appear set to move forward on a mutually complementary and beneficial trajectory, which will also bolster Indo-Pacific stability.

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