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Ukraine-Japan Relations After 2022: The Missing Middle Between Political Support and Reconstruction Business

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Russia's full-scale invasion of Ukraine brought an unusually rapid change in relations between Kyiv and Tokyo. Before 2022, the relationship was friendly and stable, yet economically limited. Four years later, Japan has become one of Ukraine's substantial financial supporters, joined successive G7 measures against Russia, signed a ten-year bilateral cooperation accord and placed Ukrainian reconstruction on the agenda of its public institutions and private sector.

Political relations have advanced further than commercial ones. This gap deserves more attention than another general discussion of Japanese solidarity with Ukraine.

The central challenge is now institutional. Japan already has many of the ingredients needed for a serious reconstruction role: public finance, export insurance, engineering companies, trading houses, specialist manufacturers and a government willing to support long-term cooperation. Ukraine has demand on a vast scale. The Fifth Rapid Damage and Needs Assessment estimated recovery and reconstruction requirements at $587.7 billion over the coming decade.

Between Japanese capacity and Ukrainian demand, however, lies a difficult layer of project preparation, insurance, procurement, logistics and local execution. I would argue that this "missing middle" will determine whether the relationship develops into sustained economic cooperation or remains concentrated around government assistance and high-level conferences.

For Poland, the issue is particularly relevant. The strongest case for Polish involvement is not simply that Poland shares a border with Ukraine. It is that Japanese companies already operating in Central and Eastern Europe show unusually high interest in Ukraine, while Polish firms and institutions have acquired practical experience in the logistics and commercial problems that Japanese entrants would have to solve.

From political commitment to economic implementation

Japan's support for Ukraine is often discussed through the question of military assistance. That comparison naturally makes Japan appear secondary to the United States or major European suppliers. It also gives an incomplete picture of the role Tokyo has chosen.

The June 2024 Accord on Support for Ukraine and Cooperation established a ten-year framework covering financial assistance, humanitarian support, reconstruction, security cooperation and technical assistance. The agreement records more than $12 billion in Japanese commitments and assistance since March 2022, including $4.5 billion for 2024.

Japan's importance may increasingly lie in financial architecture. In June 2025, JICA signed an agreement for an Extraordinary Revenue Acceleration loan of up to ¥471.9 billion. The loan forms part of the G7 mechanism that uses extraordinary revenues generated by immobilised Russian sovereign assets as the source of repayment.

This is a significant example of what Japan can contribute. Reconstruction needs are far beyond the capacity of grant assistance, and many private projects will struggle to move without public mechanisms that distribute political and financial risk. Japan's public institutions may prove as important as its corporations.

The February 2024 Japan-Ukraine Conference for Promotion of Economic Growth and Reconstruction in Tokyo was intended to bring business into this process. Fifty-six cooperation documents were presented there, followed by another 23 documents around the Ukraine Recovery Conference in Berlin several months later.

The actual documents show how varied Japanese participation may become. Nippon Export and Investment Insurance agreed on cooperation with the European Bank for Reconstruction and Development. IHI Corporation entered a study concerning improvement of the M-15 road and installation of portable panel bridges. Kubota signed a memorandum concerning agricultural machinery. Other agreements covered water infrastructure, energy, telecommunications, agricultural productivity and financing.

The volume of agreements is impressive enough to create a new problem: follow-through.

Memoranda, feasibility studies and cooperation agreements are reasonable starting points, especially during a war. They should now be tracked more openly. A useful assessment of the relationship in 2027 would ask how many projects moved into feasibility work, financing, procurement or actual implementation. Publishing such a review would also reveal where projects are failing and where Japanese public institutions need to adjust their support.

Japanese business interest is more specific than the usual debate suggests

Discussion of Japanese companies in Ukraine often relies on cultural explanations. Japanese firms are described as cautious, slow or unusually sensitive to risk. These observations explain very little on their own. JETRO's survey of Japanese-affiliated companies in Europe offers a more useful picture.

In its 2024 survey, 46% of respondents expressed interest in Ukraine reconstruction or business activity. The regional breakdown is more revealing. Among non-manufacturing Japanese-affiliated companies in Central and Eastern Europe, the share reached 62.7%.

This matters because the companies most interested in Ukraine are not necessarily waiting in Tokyo for a political signal. Many are already operating from Warsaw, Prague, Budapest, Bucharest and other European bases. They have staff, corporate structures, local partners and some experience with regional regulation and supply chains.

The survey also shows what kind of engagement companies are considering. Among respondents interested in Ukraine, 48% selected trade and sales, including restoration of distribution channels. Infrastructure reconstruction followed at 46.4%. Support for transport, logistics and supply chains attracted 29.7%, while new investment in manufacturing, agriculture or resource development received 17.6%.

These results suggest a likely sequence for Japanese commercial involvement. Trade and distribution can recover before large new factories are built. Equipment suppliers can enter through local distributors. Engineering companies can participate in individual infrastructure projects.

Warehousing, servicing and transport networks can expand as transaction volumes grow. Larger direct investments are more likely after companies gain experience with Ukrainian counterparties and with the institutions managing risk.

The obstacles identified by the same survey are equally useful. Among interested companies, 78.3% cited safety and risk management. Funding, payment collection and insurance concerned 45.8%; infrastructure and logistics, 43.4%; access to information, 43.1%.

These numbers point toward a practical agenda. A Ukrainian presentation that simply advertises opportunities in energy, housing, agriculture and technology will not answer the questions companies are asking. They need information on counterparties, payment security, insurance, procurement rules, transport routes, technical servicing and the continuity of operations.

This is where government economic diplomacy should become more detailed. Ukraine would benefit from preparing project dossiers in Japanese and English that resemble material for an investment committee rather than material for an investment-promotion event.

Poland can provide part of the missing business infrastructure

Poland's role in Ukraine reconstruction is frequently described through the word "gateway". The term is convenient, although it hides the more interesting possibilities.

For some Japanese firms, a Polish partner could solve practical problems that cannot be managed efficiently from Tokyo. Machinery supplied to a Ukrainian municipality needs transport, storage, installation and maintenance. An industrial project may require subcontractors familiar with EU and Ukrainian standards. A bank or insurer needs reliable information about the project company and the institutions behind it.

Polish participation can take several forms depending on the project. A Japanese manufacturer may supply technology while a Polish company handles regional distribution and after-sales service. Engineering firms could form project consortia with Ukrainian and Japanese partners. Polish banks and development institutions can participate in financing structures where they possess stronger local knowledge. Logistics companies can manage flows of equipment through existing regional networks.

This argument is supported by the same JETRO data. The particularly high interest among Japanese non-manufacturing firms already established in CEE suggests that regional subsidiaries may become an important route into Ukraine. Warehousing and logistics companies in the survey showed especially strong interest in transport and supply-chain support.

The policy relationship is beginning to acknowledge this opportunity. The Japan-Poland Action Plan for 2025-2029 explicitly includes cooperation on Ukraine's recovery and reconstruction, with attention to capacity building and business-sector involvement. The document also covers freight, intermodal transport and infrastructure cooperation.

There is room to make that commitment more operational.

A practical Japan-Poland programme could begin with a small number of project-matching exercises built around actual Ukrainian demand. Instead of another broad conference on reconstruction opportunities, organisers could bring together one Ukrainian project owner, several Japanese technology suppliers, Polish implementation partners and the relevant financing and insurance institutions. The purpose would be to find out, in detail, why a project can or cannot proceed.

The distinction matters. Many reconstruction conferences are designed to generate interest. The next shortage may be the capacity to process that interest.

Poland also offers something that cannot be produced through government policy alone: accumulated operating experience. Since 2022, companies, municipalities, transport operators, banks and civil society organisations have dealt with Ukraine-facing logistics and cross-border coordination under extreme conditions. The experience is uneven and should not be romanticised, yet Japanese companies entering the region can learn from it.

Poland is not the only possible platform. Romania has a growing role through the Black Sea and Danube corridors, while Slovakia, the Baltic states and Nordic countries offer other forms of regional expertise. The Polish case stands out because Ukraine reconstruction has already been written into the bilateral Japan-Poland agenda and because Japanese corporate networks in Central Europe are substantial enough to support a more organised approach.

Where Japan can add distinctive value

Japan should resist the pressure to define its role through a long list of possible reconstruction sectors. Nearly every major donor identifies energy, transport, housing, healthcare, agriculture and digital technology as priorities. A more useful strategy would concentrate on areas where Japanese technology, public finance and Ukrainian demand can be combined in an executable model.

One promising area is infrastructure equipment rather than only megaproject construction. Portable bridges, power equipment, water treatment systems, industrial machinery and agricultural equipment can often be introduced project by project. This fits the type of cooperation already visible in the 2024 agreements.

Energy offers another case. The 2026 reconstruction assessment showed that damage to Ukraine's energy infrastructure continued to rise sharply. Japan has experience in power generation equipment, energy efficiency and industrial systems. Participation does not have to begin with financing and constructing entire power stations. Equipment supply, distributed generation, grid components and industrial energy systems offer several entry points.

Demining also has economic consequences beyond humanitarian safety. Agricultural land, construction sites and transport infrastructure cannot return fully to productive use while contamination remains. Japanese technical assistance in this area can therefore support later investment rather than sitting in a separate humanitarian category.

I would also give greater attention to agricultural processing and cold-chain infrastructure. Ukraine's agricultural strength is widely discussed, while the business opportunity in processing, storage, quality control and export logistics receives less attention. Japanese companies have relevant expertise in food processing equipment, refrigeration, agricultural machinery and production control. Poland could again provide a route for regional servicing and distribution.

My broader view is that Japan's comparative advantage may lie in combining several modest elements effectively: public risk-sharing, specialised technology, patient corporate entry and regional partnerships. This is less visible than a single large reconstruction pledge, although it may produce more durable economic ties.

What the relationship needs next

The relationship has enough political declarations. The next phase requires better mechanisms for converting them into projects.

First, Ukraine should build a Japan-facing pipeline of projects with serious commercial documentation. The project owner, financing need, procurement route, insurance requirements, local operating partner and expected revenue or repayment structure should be visible before business matching begins.

Second, Japan and Ukraine should establish public follow-up on the cooperation documents already signed. A yearly status report would help identify common bottlenecks and would make it easier to distinguish active projects from dormant memoranda.

Third, Japan and Poland should select two or three areas for organised trilateral work. Transport infrastructure and equipment, energy systems, and agricultural processing would be credible starting points because there is existing corporate capacity and a clear regional component.

Finally, Japanese-language information needs more investment. The opening of JETRO's Kyiv office in October 2024 was a useful step. Its role can become more important as interest moves from general research toward partner searches, project verification and practical market-entry questions.

Ukraine does not need to convince every Japanese company to invest immediately. The more realistic objective is to build a record of completed transactions and projects. One functioning equipment supply chain, one insured infrastructure project or one successful regional partnership can reduce uncertainty for the companies that follow.

Conclusion

Since 2022, Japan and Ukraine have created a much stronger political relationship. Japan has committed substantial financial resources, established a ten-year cooperation framework and begun involving public institutions and companies in reconstruction planning.

The economic relationship is still at an earlier stage. JETRO's own data suggest that the potential is real and that Central and Eastern Europe may play a larger role than the standard Tokyo-Kyiv framing implies. Japanese companies already operating in the region show considerable interest in Ukraine, particularly in trade, infrastructure, logistics and distribution.

This points toward a practical model for the coming years. Japanese involvement is likely to grow through a mixture of public finance, risk insurance, equipment supply, trade restoration and partnerships with firms already operating near Ukraine. Poland is well placed to participate in this process where it can contribute logistics, service networks, financing knowledge and regional experience.

The relationship will become strategically durable when reconstruction cooperation begins to generate its own economic interests. That process has started, although the difficult work now lies in project selection, financing and execution.

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