

I. News of the Week

1. Government Lifts COVID-19 State of Emergency in Nine Prefectures

- The government announced Thursday that it will lift the state of emergency in nine prefectures besides Okinawa, which continues to face strains on its medical system, on June 20.
- As a result, Hokkaido, Tokyo, Aichi, Osaka, Hyogo, Kyoto and Fukuoka will shift to pre-emergency measures (*man-en bōshi-tō juuten sochi*) until July 11. Okinawa will remain under a state of emergency until July 11.
- The government set national guidelines that request eateries to close by 8 p.m., while these establishments will now be allowed to serve alcohol to groups of up to four people until 7 p.m. Governors can now request eateries to stop serving alcohol depending on the number of new cases that arise.
- Large-scale events will be capped at 5,000 spectators. This will be relaxed once the measures are lifted on July 11, allowing up to 10,000 spectators for about a month—presumably for the Olympics—following this date.
- Yasutoshi Nishimura, minister in charge of economic revitalization, said Tuesday that while overall numbers have improved, daily cases have not been declining as steadily in the greater Tokyo area. Tokyo's 7-day average on Friday was 389, the first time since May 17 that an average was higher than the previous week.

2. Vaccination Pool Extended to the General Population

- A government survey released Wednesday showed that all 1,741 municipalities expect to complete vaccinating citizens over the age of 65 by the end of July.
- The government has set the goal of administering a million shots a day, and Prime Minister Yoshihide Suga hopes to complete vaccinating everyone who wishes to get vaccinated in October and November.
- Based on applications submitted to the government, the number of people eligible for workplace vaccination reached 11.98 million on Wednesday. This is equivalent to 300,000 shots per day, which will rapidly accelerate vaccinations in the country.
- The government is asking companies to expand the vaccination pool to include employees' families and citizens living close by. The government's mass vaccination sites also expanded the target pool to individuals below the age of 64. Anybody with a vaccine ticket can reserve a spot starting Thursday.
- The government plans to have municipalities issue paper vaccine certificates/passports sometime in July for those who have passports.

3. G7 Leaders' Summit

- In the communique published after the summit came to an end on Sunday, the G7 leaders agreed to provide an additional one billion vaccine doses over the next year; come to a consensus on the allocation of taxing rights and a global minimum tax of at least 15 percent; and end new direct government support for unabated international coal power generation by the end of the year.¹
- The leaders also commit to challenging China's unfair trade practices and calling out human rights violations especially in relation to Xinjiang and Hong Kong. They also underscore the importance of peace and stability in the Taiwan Strait for the first time.
- The leaders also launched the Build Back Better for the World (B3W) Initiative to rival China's Belt and Road Initiative (BRI) in providing infrastructure financing for developing countries.
- Japanese media focused on the inclusion of the Taiwan Strait for the first time in a G7 communique and support for hosting the Olympic/Paralympic Games.
- Opinions vary on the approach to China. *Yomiuri* ran an editorial praising the group for showing determination to oppose China's actions.² *Asahi* and *Mainichi* cautioned against being overly antagonistic, arguing that it would be counterproductive to addressing the world's pressing issues.³

4. Foreign Policy Developments

- A South Korean Foreign Ministry official revealed Wednesday that Sung Kim, the new U.S. envoy for North Korea, is expected to visit Seoul between June 19-23 and participate in a three-way meeting including Japan.
- Japan sent a million COVID-19 vaccine doses to Vietnam, which faces a surge in cases due to the "delta" strain, on Wednesday. Vietnam is the second country after Taiwan to receive AstraZeneca vaccines from Japan.
- *Yomiuri* reported Tuesday that Japan and South Korea are arranging for President Moon to visit Japan during the Olympic Games.
- South Korea wants to hold a leaders' summit, while Japan is reluctant given it does not expect Seoul to make any proposals to resolve the historical disputes.

5. Defense-Related Developments

¹ "CARBIS BAY G7 SUMMIT COMMUNIQUE - Our Shared Agenda for Global Action to Build Back Better," Group of Seven, June 13, 2021,

<https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-3.pdf>

² "G7 Shunō Sengen Minshu Shugi Shokoku no Kessoku wo Shimeshita" [G7 Leaders Communique Shows the Unity of Democratic Countries], *Yomiuri Shimbun*, June 15, 2021, <https://www.yomiuri.co.jp/editorial/20210614-OYT1T50281/>

³ "(Shasetsu) G7 Samitto Shinrai Kaifuku e Sengen Jikkō wo" [(Editorial) G7 Summit Follow Through with the Declaration to Restore Trust], *Asahi Shimbun*, June 15, 2021, <https://www.asahi.com/articles/DA3S14939025.html>; "(Shasetsu) G7 no Taichūgoku Seisaku Sekai no Bundan Manekanu Yōni" [(Editorial) G7 Policy Toward China: Don't Incite Division of the World], *Mainichi Shimbun*, June 15, 2021, <https://mainichi.jp/articles/20210615/ddm/005/070/096000c>

- On Thursday, Defense Minister Nobuo Kishi became the first Japanese defense minister to speak at a meeting of the European Parliament's Subcommittee on Security and Defense.
- In his speech, Kishi pointed out that Japan faces the same challenges with the EU in the Indo-Pacific region. He also emphasized the importance of Japan-EU cooperation to uphold the rule of law and promote a Free and Open Indo-Pacific.
- Kishi attended the Eighth ASEAN Defense Ministers' Meeting (ADMM) Plus held online on Wednesday. The ADMM-Plus brought together the ten ASEAN countries with eight "Plus" countries including Japan, the U.S., China, India, Australia, New Zealand, Russia and South Korea.
- On Tuesday, Kishi protested South Korea's undisclosed military exercise in the areas surrounding Japan's Takeshima Islands (Korean name: Dokdo). South Korea holds two exercises near the Japanese islands annually.
- *NHK* reported Monday that the defense ministry is planning to develop unmanned aerial vehicles (UAVs) equipped with AI alongside the ASDF's next generation fighters it plans to deploy around 2035.

6. Cabinet Approves Economic and Fiscal Policy Guidelines for 2020-2021

- The cabinet approved Friday its first Basic Policy on Economic and Fiscal Management and Reform (*honebuto no hōshin*) and Action Plan of the Growth Strategy (*seichō senryaku jikkō keikakusho*).⁴
- Started in 2001, the basic policy document shows the core policies of the cabinet and the direction of budgeting for the next fiscal year. In this year's document, economic policies feature heavily to aid recovery from the pandemic.
- The government pledges to prioritize budgeting for four pillars of growth: realizing a green society, accelerating digitization, creating vibrant regional economies and achieving a society accommodating to families with children.
- The government recommits to the goal of achieving a primary balance surplus (revenue – expenditure) by FY 2025, but a Cabinet Office calculation in January projected that COVID-19 spending and decreasing tax revenue will push back achieving primary balance surplus to FY 2029.
- The growth strategy, which fleshes out measures to realize the basic policy, states that the government will install 1,000 hydrogen stations for fuel cell vehicles and

⁴ "Keizai Zaisei Un-ei to Kaikaku no Kihon Hōshin 2021" [Basic Policy for Economic and Fiscal Management and Reform 2021], Cabinet Office of Japan, June 18, 2021, https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2021/0618/shiryo_02.pdf; "Seichō Senryaku Jikkō Keikaku-an" [Action Plan of the Growth Strategy], Cabinet Office of Japan, June 18, 2021, https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2021/0618/shiryo_03.pdf

30,000 charging stations for electric vehicles by 2030. It also mentions establishing data centers to house critical data in Japan instead of abroad.

7. No Confidence Resolution Submitted in the Final Days of 204th Diet Session

- Four opposition parties submitted Tuesday a no-confidence resolution against the Suga cabinet ahead of the end of the Diet session on Wednesday. It was struck down in the Diet by the LDP, Komeito and Japan Innovation Party (*Ishin no Kai*).
- The opposition decided to submit the resolution after the ruling coalition rejected its demands to keep the Diet open for another three months to deliberate COVID-19 policies and form a supplementary budget for this fiscal year.
- In a speech explaining why the opposition submitted the resolution, main opposition CDP leader Yukio Edano gave voters a glimpse of what his government's policies would look like.
- Edano proposes a temporary reduction in the consumption tax to five percent, an income tax exemption for those who make less than around ten million yen, and cash handouts for low-income earners.

8. Diet Session Ends on Wednesday

- The 204th Diet session ended on Wednesday. The government passed 97 percent of the 63 bills it submitted. This is the highest success rate in the last five years.
- The Diet approved Wednesday a bill restricting land purchases near SDF facilities or other areas with national security implications (*jūyō tochi-tō chōsa hōan*). It allows the government to investigate the identity of owners who purchase land near such critical facilities.
- It aims to fill what proponents say is a blind spot in reporting land transactions that leave strategically located properties at risk of falling into the wrong hands.
- Set to take effect in FY 2022, the government can designate areas around 1 km from important facilities such as SDF bases and nuclear power plants as “monitored areas” (*chūshi kuiki*). It can also designate “specially monitored areas” (*tokubetsu chūshi kuiki*), or areas of particular importance such as SDF headquarters or uninhabited islands near territorial boundaries.
- The government can block the use of land and fine or imprison individuals who misuse land in ways that threaten national security. Submitting false information or failing to report a deal for land in “specially monitored areas” will carry a prison sentence of up to six months or a maximum fine of ¥1 million (≈\$9,000).
- The Diet approved Tuesday a bill that allows COVID-19 patients recovering at home or those who have come into contact with patients, and those who return

from abroad and in quarantine, to vote by mail. It will come into effect before the Tokyo Assembly election campaign begins on June 25 (election day is July 4).

9. State of the Economy

- The finance ministry released on Wednesday Japan's May trade statistics. It showed a trade deficit of ¥187.1 billion, the first deficit in four months.
- Exports grew 49.6 percent from the same month last year largely due to auto sales to the U.S. and Europe, while imports also rose 27.9 percent due to an increase in imports of crude oil and petroleum products.
- *NHK* reported Monday that the government plans to implement new measures to increase reductions in greenhouse gas emissions to 100 million tons.
- It will strengthen the joint crediting mechanism (JCM), in which Japan provides low-carbon technologies in exchange for credits which are shared with the partner country to reach their respective reduction targets.
- At the end of last year, the amount of emissions reduction from the JCM was projected to be 17 million tons between 2013-2030. The government hopes the new strategy will help it reduce emissions 46 percent by 2030 from 2013 levels.

10. 35 Days Until the Olympic Games

- Shigeru Omi, head of the government's expert panel, reiterated his recommendation that the games be held without any spectators.
- He added that if spectators are allowed in, there must be stricter standards in place to mitigate a viral spread and avoid overwhelming the medical system. Omi submitted his recommendations to the organizing committee on Friday.
- The government is looking to allow up to 10,000 spectators, which is in line with the decision it made to relax maximum capacity from 5,000 to 10,000 for events held during or after the state of emergency and pre-emergency measures are lifted.
- A final decision is likely to be made in the five-way talks between the GOJ, Tokyo, the organizing committee, the IOC and IPC on Monday next week.

11. Parties Begin Preparing for Consequential Election

- At a press conference on Thursday, Suga stated that he will call the Lower House election before his term as LDP president ends at the end of September.
- Reports suggest the prime minister believes winning the Lower House election will lead to his reelection as LDP president. An electoral victory is likely to quash any factional moves to remove Suga, unaffiliated with any faction, from office.

- *Yomiuri* reports that the most likely scenario will be dissolving the House at the beginning of an extraordinary Diet session in early September, with election day on October 10 or 17 (both Sundays).
- At a Japan Trade Union Confederation (JTUC) Central Executive Committee meeting on Thursday, CDP leader Edano said he will not form a coalition government with the Communist Party and will only seek partial cooperation.
- This comes after the *Rengō*, a major backer of the CDP, and the Democratic People's Party, a potential coalition partner, voiced opposition to forming a coalition with the JCP due to fundamental differences in policy views.

12. Other Noteworthy News

- **Ex-justice Minister Kawai Sentenced to Three Years in Prison:** On Friday, the Tokyo District Court sentenced Katsuyuki Kawai, former LDP lawmaker and justice minister in the Abe cabinet, to three years in prison and ordered him to forfeit ¥1.3 million. The court certified that he paid around ¥29 million to bribe a hundred local politicians and members of his supporters' association (*kōenkai*) in Hiroshima to have them support his wife's campaign in the 2019 Upper House election. The court rejected the defense's claim that Kawai should be given a suspended sentence (*shikkō yūyo*), stating that the case undermined the fairness of elections and warranted a severe sentence. Kawai initially pleaded not guilty until he reversed course in March, admitting to most of the vote-buying charges and requesting a suspended sentence. The sentence means Kawai's civil rights will be suspended for the next five years, barring him from running for public office for five years following the end of his prison term. In February, Anri Kawai, his wife, was also sentenced to a year and four months with a five year suspension for paying ¥1.6 million in bribes to four prefectural assembly members.

II. Public Opinion Polls

- An *NHK* poll released Monday showed a 37 percent approval rating for the Suga cabinet, up 2 percent from May, and a disapproval rating of 45 percent, up two percent.⁵
 - 41 percent of respondents said they disapprove because they believe Suga can't execute, while 34 percent said they have low expectations for the cabinet's policies.
 - 71 percent of respondents said they were somewhat or very worried about their family (or themselves) contracting the coronavirus, while 16 percent said they were a little worried or not worried at all.

⁵ “*Nisen-nijūichinen Rokugatsu Seiji Ishiki Getsurei Denwa Chōsa* 2021年6月 政治意識月例電話調査” [June 2021 Political Awareness Monthly Phone Survey], *NHK*, June 14, 2021, <https://www.nhk.or.jp/senkyo/shijiritsu/pdf/aggregate/2021/y202106.pdf>

- 38 percent of respondents somewhat or strongly approve of the government's coronavirus response, up 6 percent, while 58 percent said they disapprove, down 5 percent.
 - 24 percent of respondents said the government's vaccination program is proceeding at a good pace, while 65 percent it is slow.
 - 56 percent of respondents said they want a vaccine passport/certificate that can be used domestically and internationally; 17 percent said there should be no vaccine passport; and 16 percent said they want a passport that can be used only when traveling abroad.
 - 32 percent said the Olympics should be held with limited spectators; 31 percent of respondents said it should be cancelled; 29 percent said it should be held with no spectators; and 3 percent said it should be held as originally planned.
 - 29 percent of respondents said they were somewhat or very convinced by the government and organizing committee's explanations about the significance of hosting the games and the coronavirus countermeasures in place, while 68 percent said they were not very convinced or not convinced at all.
 - 80 percent of respondents somewhat or strongly feel that China's increasing military power and maritime assertiveness in the East and South China Seas are a security threat, while 13 percent don't feel that it is a threat.
 - 69 percent of respondents will consider the ongoing issue of money and politics greatly or a little when voting in the upcoming Lower House election, while 24 percent will not consider it too much or at all.
- The survey also collected data on the latest approval ratings of political parties.

Party Name	Approval Rate (%)
Liberal Democratic Party (LDP)	36 (+2)
Komeito (coalition partner of the LDP)	4 (+1)
Constitutional Democratic Party (CDP)	6 (± 0)
Nippon Ishin no Kai (Japan Innovation Party)	2 (± 0)
Democratic Party for the People (DPP)	1 (± 0)
Japanese Communist Party (JCP)	3 (± 0)
Social Democratic Party (SDP)	0 (± 0)
Reiwa Shinsengumi	0 (± 0)
Independents	41 (-3)