

I. News of the Week

1. Government Declares Fourth COVID-19 State of Emergency in Tokyo

- The government declared Thursday a fourth state of emergency in Tokyo and an extension in Okinawa prefecture until August 22. On Wednesday, Tokyo recorded 900 daily cases for the first time since May.
- The government will extend pre-emergency measures (*man-en bōshi-tō jūten sochi*) from July 11 to August 22 in Saitama, Chiba, Kanagawa and Osaka.
- The Tokyo Metropolitan Government's expert panel reported Thursday that if cases continue to increase at the current pace, daily numbers could reach around 1,500 on August 4.
- Data shows that the vaccine has reduced the ratio of those above 65 years of age in Tokyo's daily case tally to around six percent, while there has been a marked increase in patients in their forties and fifties with severe symptoms.
- Prime Minister Yoshihide Suga said that the government is preparing to pay the "cooperation fee" in advance to eateries that comply with countermeasures. It will also request liquor distributors to stop supplying noncompliant eateries with alcohol.

2. Vaccination Reservations Outpace Supply

- The government revealed Thursday that less than half of the Pfizer vaccines distributed to prefectures such as Tokyo and Osaka have been used. The health ministry calculates that as many as 38 million doses are stored across the country.
- While the government hopes municipalities make use of these vaccines, many of them point out that these numbers are counting vaccines for second inoculations and ones that have not been recorded in the national database yet.
- Vaccine czar Taro Kono announced Tuesday that the government will distribute about 11.7 million doses (10,000 boxes) of the Pfizer vaccine to municipalities every two weeks between July and the end of September.
- Kono also said that imports of the Moderna vaccine by the end of June had decreased by about 60 percent from the original plan of 40 million to 13.7 million doses. He added that the remainder will be sent over by the end of September.
- A Nomura Research Institute researcher informed Suga on Saturday that if vaccination pace continues at 1.2 million shots a day, 40 percent of the population will have received two shots by August 30. The end date is moved up to August 21 when workplace vaccinations are taken into account.

3. Foreign and Defense Policy Developments

- Government officials revealed Wednesday that the government is considering holding a Suga-Moon summit if the South Korean president visits Japan for the Olympic Games.
- Whether the first meeting between the two leaders will be a full-fledged summit or a short greeting will depend on South Korea showing up with concrete measures to improve Japan-South Korea ties, especially on the historical issues.
- The government compiled Wednesday a new cybersecurity strategy for the next three years, pointing out that China, Russia and North Korea are believed to be conducting cyberattacks to steal critical information.
- The strategy will be endorsed by the government as early as September. In addition, the government will prioritize strengthening countermeasures against large-scale cyberattacks and improving defense capabilities of critical infrastructure in its FY2022 budget request.
- Foreign Minister Toshimitsu Motegi announced Tuesday that Japan will send an additional 1.13 million AstraZeneca vaccine doses to Taiwan on Thursday. It has already sent 1.24 million doses last month.
- Chief Cabinet Secretary Katsunobu Kato said Tuesday that the government cannot predetermine which cases, such as a Taiwan contingency, will fall under a “survival-threatening situation” (*sonritsu kiki jitai*).
- Kato was responding to a question about Deputy Prime Minister Taro Aso’s statement on Monday that Japan could recognize a Chinese attack on Taiwan as a “survival-threatening situation” and exercise limited collective self-defense.

4. State of the Economy

- Nomura Research Institute released an estimate Thursday that suggests GDP will be reduced by ¥1.03 trillion (≈\$11 billion), or 0.19 percent annually due to the fourth state of emergency in Tokyo and Okinawa.¹ It also estimates an increase in unemployment by 41,000 people.
- The Bank of Japan released Thursday its Opinion Survey on the General Public’s Views and Behavior, which showed a higher net negative outlook for economic conditions next year for the first time in five quarters.² It worsened from negative 8.5 points in March to negative 14.9 points in June.

¹ Takahide Kiuchi 木内登英, “Tōkyō ni Yonkaime no Kinkyū Jitai Sengen Hatsurei: Icchō-en no Keizai Sonshitsu de Tōkyō Gorin no Keizai Kōka no Rokuwari wo Sōsai 東京に4回目の緊急事態宣言発令: 1兆円の経済損失で東京五輪の経済効果の6割を相殺” [Declaration of a Fourth State of Emergency in Tokyo: Economic Loss of 1 trillion yen Offsets 60% of the Economic Effect of the Tokyo Olympics], July 8, 2021, https://www.nri.com/jp/knowledge/blog/1st/2021/fis/kiuchi/0708_2

² “Results of the 86th Opinion Survey on the General Public’s Views and Behavior (June 2021 Survey),” Bank of Japan, July 8, 2021, https://www.boj.or.jp/en/research/o_survey/ishiki2107.htm/

- Impressions of present economic conditions compared to last year improved slightly from negative 69.4 points to negative 61.6 points. About half of respondents said they felt prices had gone up slightly compared to last year.
- The finance ministry announced Monday that tax revenue last fiscal year increased 4.1 percent from the previous year to a record-high ¥60.8 trillion.
- Total tax revenue was expected to be around ¥5.5 trillion, but was higher due to strong performance by manufacturing exports and consumer demand as people stayed home. The ministry wants to utilize the revenue to achieve a primary balance surplus, while the LDP hopes to use it for future economic packages.

5. Olympic Games to be Held Without Spectators in Greater Tokyo Area

- At the five-way meeting between the government, Tokyo, the organizing committee, IOC and IPC on Thursday, the sides agreed to hold all games in Tokyo without spectators.
- The same measures will be taken for venues in neighboring Kanagawa, Saitama and Chiba prefectures. The organizers had said just a month ago that they intended to let in up to 10,000 spectators at less than 50 percent capacity at all venues.
- Education Minister Koichi Hagiuda said Tuesday that Supercomputer Fugaku estimated that the risks of a viral spread at the National Stadium among 10,000 spectators, of which ten are COVID-19 patients, can be reduced significantly by wearing masks and opening seats between spectators.
- The organizers will now be forced to restructure the games, from ticket distribution to volunteer placement to overall management of the event.
- The government is still arranging for the Emperor, Suga, and the speakers of both Houses to attend the opening ceremony. Reports on Monday said up to 10,000 IOC members, diplomatic delegations and sponsors could also be allowed in.

6. Tomin First Party Pulls Off “Upset” in Tokyo Assembly Election

- Despite being down in most pre-election polls, the Tomin First Party managed to hold on to thirty of the forty-five seats it held before the election. This prevented the LDP-Komeito coalition from winning back a majority.
- Out of the record-high 77 women who ran this year, 41 of them (32 percent of total) won. Of the winners, 14 ran as JCP candidates, 12 as Tomin First candidates, and four each as LDP and CDP candidates.
- Exit polls suggest that independents voted in favor of the Tomin First Party and other opposition parties rather than the ruling coalition. A *Nikkei* poll showed 25

percent of independents voted for Tomin First, 18 percent for the JCP and 15 percent for the CDP's candidates.

- Some attribute the “upset” to Governor Yuriko Koike. Koike avoided publicly supporting her former party, to which she still serves as special adviser, but turned up at several candidate's campaign headquarters a day before votes were cast. Exit polls prove that voters approved of Koike and the metropolitan government's COVID-19 response and performance overall.
- The results made clear that voters are unhappy with the LDP's approach to the coronavirus, vaccine rollout and Olympic Games. The party could lose confidence in Suga, especially given the party's experience in the lead-up to the 2009 Lower House election when a blowout defeat in Tokyo led to a change in government. Suga may now be reluctant to call an election right after the Olympic Games.
- Final share (change from last election): LDP (25→33); Tomin First (45→30); Komeito (23→23); Japan Communist Party (18→19); Constitutional Democratic Party (8→15); Japan Innovation Party (1→1); Tokyo Seikatsusha Network (1→1); Independents (5→5).

7. Other Noteworthy News

- **Heavy Rain Causes Floods and Landslides:** On Saturday, heavy rainfall triggered a landslide in Atami city, Shizuoka prefecture, gushing through the town and taking with it dozens of people. As of Friday, twenty-one people are still missing while nine have been reported dead. About 570 people are at evacuation shelters, 131 homes have been affected by the disaster and water outages continue in Izusan district where the landslide occurred. The SDF, police and local fire department are facing difficulties searching for the missing people due to periods of heavy rainfall and the large amount of dirt and soil that has amassed. Though it was considered a natural disaster at first, reports later surfaced that there was a possible man-made aspect to it. According to the city, a real estate company based in Kanagawa purchased land on a higher altitude than the district in 2006. It then submitted an application to expand development from the initial area, bringing in dirt and sand to fill a valley. The city government found out that industrial waste, such as wood chips and tile, were buried in the area and asked the company to rectify the problem. The company did not comply with the order and later abandoned the project. In 2011, a separate company purchased the land and per the government's instructions, filled the valley with leftover dirt. The city found last January that 1.5 times more dirt had been used compared to the original plan for the landfill. It is likely that this excess dirt was not solid enough and exacerbated the landslide. A landslide also occurred on Thursday in Tottori prefecture but all three people involved in the situation were alright. Heavy rainfall across the country caused floods too, with the Chugoku region observing unprecedented rainfall in some areas. Cities like Mihara in Hiroshima prefecture announced the highest alert level, calling on citizens to evacuate after the

embankment of a nearby river broke down. Elsewhere, local lines and shinkansen lines between Shin Osaka and Hakata (Fukuoka) were temporarily stopped, while several expressways in the region were closed down.

- **Court Ruling to Push Forward Landfill for U.S. Base Relocation:** The Supreme Court ruled Tuesday on a 3-2 decision to reject the Okinawa government's lawsuit deeming the GOJ's order to allow coral transplantation in the landfill site for Marine Corps Air Station Futenma as illegal. The judge writing the dissenting opinion stated that given the relocation work off the coast of Henoko still requires hardening soft ground, Okinawa's decision to delay approval of the transplantation was not overstepping its authority. The Okinawa government received an application two years ago from the local defense bureau to transplant coral in the landfill site for the proposed relocation of MCAS Futenma. It didn't respond to the application and ended up suing the government for the minister of agriculture, forestry and fisheries' "illegal" order demanding the Okinawa government approve the transplant. Okinawa will now have to decide whether to approve the application. There are some who believe the government has no choice but to place strict standards on the transplant procedure and approve the request. So far, Okinawa has lost four and settled or withdrew a further four cases regarding the relocation of the U.S. base. It views the ninth case surrounding the legality of the GOJ's decision to revoke Okinawa's withdrawal of the landfill approval as the key to preventing the relocation.

II. Public Opinion Polls

- A JNN poll released Monday showed a 43 percent approval rating for the Suga cabinet, up 4 percent from June, and a disapproval rating of 54 percent, down 4 percent.³
 - 36 percent of respondents said they disapproved of the cabinet due to lackluster policies; 22 percent said due to Suga's lack of leadership; and 20 percent said due to their discomfort with having an LDP-centered cabinet.
 - 38 percent respondents approve of the government's coronavirus response, up 4 percent from June, while 51 percent disapprove, down 6 percent.
 - 76 percent of respondents said they believe the COVID-19 pre-emergency measures in place in Tokyo should be extended beyond June 11, while 13 percent believe it should be lifted.
 - 50 percent of respondents said they believe the pre-emergency measures requiring businesses to stop serving alcohol at 7 p.m. is appropriate; 24 percent said it is too strict; and 21 percent said it is too lax.
 - 52 percent of respondents said they would like to get vaccinated, down 11 percent from June; 34 percent said they have already been vaccinated, up 19 percent; and 12 percent said they do not want to get vaccinated, down 6 percent.

³ "Nisen-nijūichinen Shichigatsu Mikka, Yokka Teiki Chōsa 2021年7月3日、4日 定期調査" [Periodic Survey July 3-4, 2021], JNN, July 5, 2021, https://news.tbs.co.jp/newsi_sp/yoron/backnumber/20210703/q1-1.html

- 57 percent of respondents said they are “somewhat” or “very” worried about the side effects after getting vaccinated, while 42 percent are a “little” or “not” worried.
 - 54 percent of respondents said they don’t accept the government’s decision to temporarily stop applications for workplace vaccinations at companies and universities, while 37 percent accept it.
 - 63 percent of respondents said they don’t believe the government will completely vaccinate all citizens who want to get vaccinated by its goal at the end of November, while 30 percent believe it will.
 - 35 percent of respondents said the Olympic Games should be held without spectators; 26 percent said it should be held with limited spectators; 20 percent said it should be cancelled; 14 percent said it should be postponed; and 4 percent said it should be held as originally scheduled.
 - 79 percent of respondents said the government’s coronavirus countermeasures for athletes and others involved in the Olympic Games are inadequate, while 14 percent said it was adequate.
 - 18 percent of respondents said Taro Kono should be the next president of the LDP; 16 percent said Shigeru Ishiba; 12 percent said Shinzo Abe and Shinjiro Koizumi; 8 percent said Yoshihide Suga; 3 percent said Fumio Kishida; 2 percent said Seiko Noda; and 1 percent said Katsunobu Kato and Toshimitsu Motegi.
- The survey also collected data on the latest approval ratings of political parties.

Party Name	Approval Rate (%)
Liberal Democratic Party (LDP)	34 (-1)
Komeito (coalition partner of the LDP)	4 (±0)
Constitutional Democratic Party (CDP)	6 (±0)
Nippon Ishin no Kai (Japan Innovation Party)	2 (-1)
Democratic Party for the People (DPP)	1 (±0)
Japanese Communist Party (JCP)	3 (+1)
Social Democratic Party (SDP)	0 (±0)
Reiwa Shinsengumi	0 (±0)
Arashi Party (Fmr. Party to Protect the People from Old Parties)	0 (±0)
Independents	46 (+2)