

## ***The Weekly Observer***

July 11-15, 2022

*The 37<sup>th</sup> edition of the weekly newsletter aggregating news on Japanese politics. This week focuses on the aftermath of the 2022 Upper House election, former Prime Minister Abe's assassination, Japan-U.S. finance ministers meeting, the Japan-U.S. joint exercise, PM's vision for the near future, Abe's legacy, the Abe faction's regrouping, the COVID-19 "seventh wave," TEPCO court ruling, Japan's "embarrassing" gender gap ranking, the GOJ's potential request to conserve gas, the Quad energy ministers meeting, economic statistics amid inflation and a historically weak yen, and more.*

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## **I. News of the Week**

### **1. 2022 Upper House Election: Landslide Victory for the LDP**

- On Sunday, the ruling coalition [captured](#) 76 of the 125 seats up for grabs in the 2022 Upper House election. They now hold 146 of the 248 seats in the House.
- [Turnout](#) was 52.05 percent, 3.25 points higher than 2019. [Turnout](#) among 18-19 year olds reached 34.49 percent, 3.16 points higher than 2019.
- There were 35 female candidates who [won](#) on Sunday, the most in any election cycle. The [ratio of women](#) among all winners increased 5.4 points to 28 percent. The LDP fielded the most winning candidates at 13.
- The LDP [won](#) 63 seats, a majority of the 125 seats up for election, on its own. Pro-amendment forces maintained a supermajority in the Upper House. The LDP went 28-4 in [SMDs](#) and captured seats in all 13 [MMDs](#).
- All parties aside from the Japan Innovation Party lost seats. Komeito [went](#) from 14 to 13; the CDP [went](#) from 23 to 17 (least historically among main opposition parties); the JIP doubled from 6 to 12; and others also failed to expand forces.
- [Small parties](#) such as Reiwa Shinsengumi, NHK Party, the Social Democratic Party and political organization Sanseitō all gained 1-3 seats. SDP leader Fukushima Mizuho won a seat and maintained the SDP's status as a party.

### **2. PM Promises to Achieve What Abe Started**

- At a press conference on Monday, Prime Minister Kishida Fumio [emphasized](#) that his plans to inherit Abe's wishes and work to resolve issues including the North Korean abduction issue and amending the Constitution.
- Kishida also said that his Cabinet must be operated in "contingency mode," indicating that it would strive to balance economic activities with COVID-19 countermeasures, as well as bolster defense in light of the war in Ukraine.
- Kishida said the Cabinet would convene a meeting this week to discuss seamless use of the ¥5.5 trillion reserve funds in order to address rising costs of living.
- Kishida asked that citizens use air conditioners "reasonably," and stated that the GOJ projects the restarting of ten thermal power plants will be sufficient to meet demand in the summer.
- Kishida said he aims to lead deliberations in the Diet on amending the Constitution around the LDP's four point plan. He [added](#) that he hopes to table the draft in the Diet as soon as possible.

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- Reports [suggest](#) the prime minister will conduct a cabinet and party leadership reshuffle sometime around late August/early September.

### 3. More Details Emerge About Suspect

- Police sources [state](#) that Abe's killer, Yamagami Tetsuya (41), wanted to kill the head of the Unification Church (in Korea), but switched targets to Abe after he missed out on opportunities to kill the leader due to COVID-19.
- Yamagami reportedly told investigators that his mother was devoted to the religious group and sold his grandfather's land without permission. This drove the family to financial ruin, possibly leading to Yamagami's hatred toward the group.
- According to *Yomiuri Shimbun*, the mother [joined](#) the Church in 1998 and sold both the grandfather's land and the home she lived in with her three children. She donated around ¥100 million to the Church.
- Yamagami [reportedly](#) went to a Unification Church meeting in 2019 to kill the leader, who had traveled to Japan, but gave up after failing to enter the venue.
- Yamagami told investigators that he felt Abe was involved with the group after seeing a video message the former prime minister sent to a group affiliated with the leader in September 2021.

### 4. Police Begin On-Site Inspections

- On Wednesday, the police [began](#) a 50-person on-site inspection to recover the bullets fired by Yamagami. The shotgun-like weapon fired six bullets at once. A shot was recovered from a campaign car 20 meters away from Abe.
- The National Police Agency on Tuesday [established](#) an investigative team to examine the security detail. Three issues are evident: 1) the open space behind Abe, 2) the slow response in the three seconds between Yamagami's first and second shot, and 3) the fact the detail was operated by local police.
- Chief Cabinet Secretary Matsuno Hirokazu [revealed](#) Monday that the NPA informed the Prime Minister's Office that it recognized there was a problem with the security detail protecting Abe.
- Matsuno said the NPA must identify errors and develop countermeasures. He added that the appropriate people must take responsibility for the tragedy after a full report is released.
- Matsuno also said the National Public Safety Commission will discuss the incident and inspect the security detail separately.

### 5. Abe's Funeral Held

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- Abe's funeral was held on Tuesday at Zojo-ji Temple, [attended](#) by political figures such as Prime Minister Kishida, business leaders such as Keidanren's President Tokura, and foreign dignitaries including Taiwanese Vice President Lai Ching-te.
- Akie, Abe's wife, said that although her husband could not achieve all he wished to achieve, the "seeds he sowed shall sprout."
- Vice President Aso Taro [read](#) the message of condolence, saying Abe enhanced Japan's presence in the international community with his courage and shrewdness. He praised Abe as the best politician in the post-war era.
- People [flocked](#) to Zojo-ji Temple on Tuesday, so much so that the venue for flower offerings was closed. Close to 2,500 people, [including](#) the Emperor and Empress, attended the wake on Monday.
- After the funeral, the car [carrying](#) Abe's coffin drove around Nagatacho—from the LDP headquarters to the Kantei to the Diet—in memory of the place Abe spent most if not all of his political career at. Members of government and party lined up to mourn the death of the former prime minister.

### 6. The World Mourns Abe's Death

- [According](#) to Foreign Minister Hayashi Yoshimasa, more than 1,700 condolence message have been sent from 259 countries, regions and organizations.
- Hayashi stated that Abe accomplished great things by practicing "globe-trotting diplomacy," made possible by his outstanding leadership and executive ability.
- Abe's death led to visits by foreign dignitaries, [including](#) Secretary of State Antony Blinken and Taiwanese Vice President [Lai Ching-te](#).
- Prime Minister Kishida held phone calls with the leaders of [Australia](#), [France](#), [Canada](#) and the [U.K.](#) regarding the death of the former prime minister.
- Many leaders made condolence calls to their local Japanese embassies, [including](#) South Korean President Yoon Suk-yeol. Yoon said he plans to send a delegation to Japan, joined by Prime Minister Han Duck-soo.

### 7. Japan-U.S. Finance Ministers Agree to "Cooperate" on Exchange Rate

- Ahead of the G20 Finance Ministers and Central Bank Governors Meeting in Bali, Indonesia, Finance Minister Suzuki Shunichi on Tuesday [met](#) with Secretary of the Treasury Janet Yellen.
- The two ministers discussed challenges facing the global and domestic economies, including "higher food, energy and commodity prices and growing food insecurity, compounded by Russia's war of aggression against Ukraine."

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- The ministers welcomed G7 efforts to continue exploring ways to curb rising energy prices.
- In a [rare move](#), the joint statement included mention of close consultation on exchange markets and appropriate cooperation on currency issues.
- The ministers emphasized the critical role of creditor coordination to ensure fair burden sharing among all creditors in debt treatment for vulnerable middle-income countries, notably Sri Lanka.
- Before meeting Suzuki, Yellen also met with BOJ Governor Kuroda Haruhiko, FSA Commissioner [Nakajima Junichi](#), and [held](#) a roundtable with business leaders from Sony, Panasonic, Mitsui & Co., among others.

### 8. Foreign Policy Developments

- On Friday, the Cabinet [approved](#) plans to host the G7 summit in Hiroshima between May 19-21 next year.
- NHK [reported](#) Thursday that South Korean Foreign Minister Park Jin is expected to travel to Japan between July 18-20 for the first time since his appointment to meet Prime Minister Kishida and Foreign Minister Hayashi.
- On Wednesday, Kishida [received](#) a courtesy call from David Beasley, executive director of the UN World Food Programme. Kishida stated that Japan will continue cooperating with the WFP to address the food crisis caused by the Russian invasion of Ukraine.
- On Wednesday, Minister for Internal Affairs and Communications Kaneko Yasushi [met](#) with Minister of Communications and Information Josephine Teo of Singapore. They reconfirmed cooperation on 5G and Open RAN development.
- On Tuesday, Foreign Minister Hayashi [held](#) a phone conference with Secretary of Foreign Affairs Enrique Manalo of the Philippines. The ministers agreed to advance cooperation in light of the priorities of the new Marcos administration.
- On Monday, Hayashi [held](#) a meeting with German Foreign Minister Annalena Baerbock. The two agreed to continue close cooperation on the situation in Ukraine, deepen security cooperation in the Indo-Pacific region, and proceed with plans to establish a government-to-government council next year.

### 9. Defense/Security Developments

- The ASDF [announced](#) Thursday that it conducted a large-scale joint exercise with the U.S. Military on July 6, 11 and 12. A total of 52 aircraft joined the “rare” exercise reportedly aimed to deter Chinese and Russian activities around Japan.

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- The ASDF deployed 20 F-15 and F-2s, while the U.S. Military sent 32 aircraft, including the F-22, F-35A, F-15 fighter jets, as well as the E-3 early warning and control aircraft, KC-135 aerial refueling aircraft and the Navy's P-8 Poseidon maritime patrol and reconnaissance aircraft.
- Kanoya (city in Kagoshima) Mayor Nakanishi Shigeru [announced](#) on Monday that he intends to allow the U.S. Military to temporarily deploy surveillance drones at the MSDF's Kanoya Air Base.
- The USFJ intends to temporarily deploy aircraft including the unmanned surveillance planes MQ-9 at the base. The mayor explained that it was necessary for defense reasons amid the security environment becoming increasingly severe.
- The local assembly passed a resolution at the end of June to accept the plan. Eight aircraft could begin operation as early as September with a one-year limit.

## 10. PM Outlines Plans for Near Future

- At a press conference on Thursday, Prime Minister Kishida [outlined](#) policies he intends to push forward following the LDP's landslide victory over the weekend.
- *COVID-19*: The GOJ will maintain the bolstered medical system, including by supporting medical institutions, bolstering testing, and securing drugs that relieve symptoms. There are no plans to impose new restrictions on movement.
- *Vaccination/Testing*: The GOJ will extend fourth vaccinations to all medical staff and set up 13,000 venues across the country for free PCR testing.
- *Energy*: The GOJ expects to have enough energy for the summer now that more than ten thermal power plants are gradually resuming service. Kishida instructed Minister of Economy, Trade and Industry Hagiuda Koichi to secure 10 percent of total electricity supply by restarting up to nine nuclear power plants by the winter. He also instructed the minister to secure ten plants worth of thermal energy.
- *Inflation*: The GOJ will use the ¥1 trillion fund for regional revitalization to support low-income households through cash handouts, food cost subsidies, as well as subsidies for businesses hit hard by higher costs resulting from inflation.
- *Rising energy and food costs*: Establish a [new](#) "conservation point" system to lower real electricity costs. Compensate for 70 percent of fertilizer cost increases.
- *Minimum wage*: The GOJ plans to proceed with comprehensive efforts to ensure wages continue to rise to the [goal](#) of ¥1,000 per hour (national average).

## 11. Former PM Abe to be Honored with Highest Decoration

- The GOJ [decided](#) on Monday that it will award former Prime Minister Abe with Junior First Rank and the Collar of the Supreme Order of the Chrysanthemum.

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- CCS Matsuno explained that Abe would be receiving the nation's highest honor "in light of his many years of service and achievements, including his achievements as prime minister."
- Abe will become the fourth prime minister to receive the honor—Yoshida Shigeru, Sato Eisaku and Nakasone Yasuhiro have all received the honor too.
- Prime Minister Kishida [announced](#) Thursday that the GOJ would be holding a state funeral in September for Abe. Only Yoshida Shigeru has been [given the same treatment](#) of a fully government-funded funeral.
- Reports [suggest](#) the GOJ plans to hold the funeral at the Nippon Budokan.

### 12. Abe Faction to Regroup under Council-Style Management

- *Jiji reported* Wednesday that the Abe faction plans to regroup under a council-style system, in which seven senior members lead the faction.
- The seven include acting presidents Shionoya Ryu, Shimomura Hakubun, Vice President Takagi Tsuyoshi, Secretary General Nishimura Yasutoshi, METI Minister Hagiuda Koichi, CCS Matsuno and Upper House faction President Seko Hiroshige. Shionoya, the most senior member, will likely act as leader.
- The faction decided against rushing to name a replacement president given Abe's influence over the 93-member faction. It prioritized regrouping ahead of the reshuffle instead of intra-faction fighting over who should lead the group.
- The Seiwakai faction has a [history](#) of in-fighting following the loss of an influential president. Losers of said battles tend to leave the faction. Potential successors include Shimomura and Hagiuda.
- On a TV program on Wednesday, former Prime Minister Suga Yoshihide [indicated](#) that he has no plans to establish a new faction amid the changing power balance within the party.

### 13. COVID-19 “7th Wave” Begins

- On Friday, case numbers in Tokyo [reached](#) 19,059, an increase of 2.2 times since last Friday. The Tokyo Metropolitan Government had just [raised](#) its alert to the highest level on Thursday.
- Experts [estimate](#) that case numbers in Tokyo could reach as high as 23,000 next week, surpassing the “sixth wave,” and 53,000 two weeks from now.
- On Tuesday, twelve prefectures [recorded](#) their highest ever case numbers. President Omi Shigeru of the GOJ’s expert panel says the spread of the BA.5 variant and weakening immunity from the vaccine is causing higher case numbers.

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- CCS Matsuno [said](#) Wednesday that it is not realistic to lower the threat level of COVID-19 under the infectious disease act. Total cases nationwide on Friday [topped](#) 100,000 for the time since February 8.
- Minister of Land, Infrastructure and Transport Saito Tetsuo [announced](#) on Thursday that the GOJ will postpone the national travel subsidy for tourism it planned to begin in early July. The prefectural subsidy (in-state travel) will be extended until August 31.

### 14. Tokyo Court Orders TEPCO Managers to Pay Damages for 3.11 Losses

- On Wednesday, the Tokyo District Court [ordered](#) four former managers of TEPCO to pay a total of ¥13.3 trillion to shareholders for the massive losses incurred from the 2011 accident at the Fukushima Daiichi nuclear plant.
- Compensation includes the cost for decommissioning the plant's crippled reactors and compensation for local residents who were forced to evacuate.
- The shareholders initially demanded ¥22 trillion from five individuals. They argued that the managers knew about the possibility of a huge tsunami (GOJ panel issued long-term assessment report in 2002) and chose not to safeguard the plant.
- The Court [ruled](#) that the former managers recognized the possibility of a serious accident and neglected their obligations to promptly implement countermeasures, which may have prevented the serious accident.
- This is the largest sum of money ever ordered as compensation in court. It shows the serious responsibility businesses in the nuclear power industry must bear.

### 15. Other Political Developments

- Minister of Economy, Trade and Industry Hagiuda [said](#) Friday that he will request power companies to restart thermal power plants and that he plans to secure the services of up to nine nuclear power plants by the winter.
- According to the World Economic Forum's [Global Gender Gap Report](#), Japan ranked 116th out of 146 countries in terms of gender equality.
- NHK [reported](#) Wednesday that there are voices within the LDP calling for former Assistant Speaker of the Upper House Otsuji Hidehisa to be nominated for the speakership at the extraordinary Diet session in August.
- The Nuclear Regulation Authority [approved](#) Wednesday the draft inspection document stating that the anti-terrorism facility for dealing with specific serious accidents at Kashiwazaki Kariwa conform to new regulatory standards. It will become official once the NRA and the METI minister approve.

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- The sixth and seventh reactors came under scrutiny after serious security deficiencies came to light. [Currently](#), the plants are under a de-facto ban until inspection results are finalized.

### 16. GOJ to Request Citizens to "Conserve Gas"

- On Monday, METI [entered](#) discussions about the institutional design of "conserving gas" (*setsu-gasu*) provided by Tokyo Gas. The largest consumption source of Tokyo Gas is for industrial use.
- This unprecedented policy will be divided into three parts: voluntary, semi-voluntary and restrictive measures.
- Voluntary measures include requests to conserve gas and distributing points to those who conserve gas, similar to electricity.
- Semi-voluntary measures include a numerical goal for conservation, as well as individual requests to large companies that use significant amounts of gas.
- Restrictive measures include a government order to restrict the use of gas. This will require amending the Gas Business Act at the extraordinary Diet session.

### 17. Quad Energy Ministers Meeting

- On Wednesday, Minister of Economy, Trade and Industry Hagiuda [traveled](#) to Australia for the first-ever Quad energy ministers meeting.
- The ministers [discussed](#) progress under the Quad Clean Energy Innovation and Deployment work program, which includes clean energy supply chains, cooperation to minimize methane emissions in natural gas and developing clear hydrogen and fuel ammonia.
- The ministers affirmed their shared commitment to accelerate the development of and deployment of zero emissions technologies necessary to drive a clean energy transition.
- The ministers noted the significant bilateral agreements between the members on hydrogen and fuel ammonia, and agreed that the goals of the partnerships would be furthered if hydrogen production costs are rapidly driven down.
- In [separate bilateral meetings](#) with the U.S. and Australia, Hagiuda requested increased production of LNG and cooperation for stable supply amid uncertainties over Russian LNG (Sakhalin-2).

### 18. State of the Economy

- On Thursday, the yen [slid further](#) to ¥139 against the dollar, the lowest since 1998 due to speculation that the FRB will continue to tighten its monetary policy.

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- According to the Japan Center for Economic Research's economic forecast [released](#) on Tuesday, the average expected real economic growth rate projection by 36 economists for the April-June quarter was 3.18 percent year-on-year, down from 3.59 percent in June due to rising resource costs from the Russian invasion.
- According to the BOJ's data [released](#) on Tuesday, the corporate price index for June was 113.8, a 9.2 percent increase from the same month last year. The index has surpassed last year's numbers for sixteen consecutive months.
- BOJ Governor Kuroda [said](#) Monday at the branch manager meeting that, for the time being, inflation will remain at around 2 percent due to the impact of rising energy and food prices. The BOJ is [expected](#) to project the inflation rate above 2 percent at the next Monetary Policy Meeting this month.
- According to data [released](#) by JCER on Monday, seasonally adjusted real GDP in May was ¥540.3 trillion, down 0.8 percent from the previous month and the first decrease in four months. Capital investment decreased due to supply chain disruptions resulting from the lockdown in China.

## **II. Public Opinion Polls**

- An NNN/Yomiuri Shimbun [poll](#) released Tuesday showed the Kishida Cabinet's approval rating was 65 percent, up 1 percent from June, while disapproval was 24 percent, down 2 percent.
  - 60 percent of respondents said they felt it was a good thing that the ruling coalition won a majority of seats up for election, while 29 percent said they did not feel it was a good thing.
  - 44 percent of respondents said they wanted the opposition to gain more seats; 43 percent said the results were satisfactory; and 10 percent said the ruling coalition should have gained more seats.
  - 50 percent of respondents said the opposition should have united more behind single candidates in districts, while 37 percent said they did not think so.
  - 73 percent of respondents said they worry that violence could threaten Japan's democracy, while 24 percent said they had no such worries.
  - 54 percent of respondents said Abe's assassination had "some effect" on the election results; 32 percent said it had a "great effect"; 11 percent said it had "little effect"; and 2 percent said it had "no effect."
  - 52 percent of respondents said they want Prime Minister Kishida to continue as leader until Sept. 2024 when his term ends; 27 percent said as long as possible; 12 percent said about a year; and 6 percent said he should be replaced immediately.
  - 91 percent of respondents said they want the Cabinet to prioritize policies on the economy and employment; 80 percent said responding to inflation; 76 percent said foreign policy and security; 73 percent said social security; and 71 percent said policies addressing the declining birthrate.

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- 58 percent of respondents said they look forward to the Commission on the Constitution actively deliberating on amending the Constitution, while 37 percent said they do not look forward to it.
- 64 percent of respondents said they approve of the government's COVID-19 response so far, while 31 percent said they disapprove.
- 54 percent of respondents said they support the decision to restart nuclear power plants that pass safety measures, while 37 percent said they do not.
- The survey also collected data on the latest approval ratings of political parties.

<b>Political Party</b>	<b>Approval Rating (%)</b>
Liberal Democratic Party	44 (+7)
Constitutional Democratic Party	6 (±0)
Japan Innovation Party	8 (+2)
Komeito	5 (±0)
Democratic People's Party	1 (±0)
Japan Communist Party	2 (±0)
Reiwa Shinsengumi	2 (+1)
Social Democratic Party	1 (+1)
NHK	0 (±0)
Suffrage Party (Sanseitō)	2 (+2)
Independent	25 (-10)