



The Weekly Observer

May 22-26

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

G7 Hiroshima Summit

Prime Minister Kishida Fumio hosted the G7 Summit in Hiroshima from **May 19-21**.

The leaders agreed to work together and with others to support a **free and open Indo-Pacific** and oppose **any unilateral attempts to change the status quo by force or coercion**.

They also discussed Ukraine, nuclear disarmament, cooperating with the Global South, economic resilience and security, preserving the planet.

A highlight was the participation of **Ukrainian President Volodymyr Zelenskyy**.

GOJ Plans to Raise Social Insurance Premiums to Fund Child-Rearing Budget

News reports stated that the GOJ plans to address the declining

birth rate by expanding child allowance and daycare services.

Funding is expected to be around **¥3 trillion per year for the next three years**. One pillar of funding will be a **¥470 per person hike of monthly insurance payments** starting FY 2026. Kishida ruled out further consumption tax hikes to finance these policies.

Japan and U.S. Agree to Create Semiconductor Roadmap

On Friday, **METI Minister Nishimura Yasutoshi** held a meeting with **U.S. Secretary of Commerce Gina Raimondo**.

Among other things, the ministers agreed to encourage cooperation between their respective semiconductor technology centers for **road-mapping for technological and human resource development**.

Cabinet Approval



56% (+9 pts.)

33% (-4 pts.)

Yomiuri (May 22)

State of the Economy

Monthly Economic Report: "Recovering" for the first time in three years

Real wage rate (2022): -1.8% (first decline in two years)

Machinery Orders (April-June): +4.6% from last quarter

Net Foreign Assets (2022): ¥418.63 trillion (record high)