



YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

# The Weekly Observer

June 23-27

THIS WEEK IN NUMBERS

## **Ishiba Skips NATO Summit**

On Monday, the Ministry of Foreign Affairs (MOFA) announced that **Prime Minister Ishiba Shigeru** would be canceling his visit to The Hague, Netherlands, to attend the **NATO Summit** from June 24-26. **Minister for Foreign Affairs Iwaya Takeshi** replaced him as the Japanese representative to the summit.

Media reports suggested that Ishiba decided to skip the summit following notification that **U.S. President Donald Trump** would not be attending the meeting with the four Indo-Pacific (IP4) country leaders. Australia and South Korea's decision to not send their leaders reportedly pushed Ishiba to make the same call.

Another plausible reason for Ishiba to skip the event was to **avoid discussing defense spending** during a stalemate in tariff negotiations. Japan had reportedly just asked to **postpone the "2+2" meeting** scheduled for July 1 over **U.S. demands to increase spending to 3.5 percent of GDP.**

## **LDP Loses Big in Tokyo Election**

On Sunday, the ruling **Liberal Democratic Party (LDP)** suffered a **historic defeat in the Tokyo Metropolitan Assembly election**, dropping seats from thirty-three to twenty-one, the **lowest tally in history**. It lost the status as the largest party in the assembly.

The LDP reportedly **lost approximately 300,000 votes**, only garnering a total of 887,317 votes. Exit polls suggest that the **LDP failed to win over its own voters**, likely losing more voters than in 2017.

**Komeito also faced historic losses**, failing to secure victory for all candidates running in the election, including in the hometown of the Soka Gakkai headquarters. The party lost approximately 100,000 votes, or **15 percent of its vote tally.**

An analysis of voting trends shows that **Tomin First** won the most votes, regaining status as largest party. The rise of parties like the **Democratic Party for the People and Sanseitō** took votes away from major parties.

## **Cabinet Approval**



**33%** (-5 pts.)

**51%** (+3 pts.)

[Kyodo](#) (June 23)

## **State of the Economy**

### **Household Financial Asset Balance (2025 Q1):**

¥2,195 trillion

+0.3% from 2024 Q1

Rate of increase fell 4% in 2024 Q4

### **Employment Stats (May):**

Seasonally adjusted jobs-to-applicants ratio fell 0.02 pt. to 1.24x  
Unemployment remained at 2.5%

### **Services Producer Price Index (May):**

110.7 (+3.3%)

8<sup>th</sup> consecutive month that the rate of increase exceeded 3%