



# The Weekly Observer

October 6-10

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

## **Komeito Announces Withdrawal from Ruling Coalition**

On Friday, Komeito Chief Representative Saito Tetsuo informed Liberal Democratic Party (LDP) President Takaichi Sanae that his party plans to **leave the ruling coalition**, ending the twenty-six year-long union between the two parties. Saito explained that there was **no sincere effort by the LDP to address political reform** and that party members had grown tired of defending the LDP's political scandal during elections. He said **election cooperation is over** too.

In response, Takaichi explained that Komeito demanded a response on the spot on legislation to tighten rules around corporate political donations, to which she said she must discuss internally with her party. She characterized the decision as **"unilateral"** and expressed her disappointment at the end of a two decades-long partnership.

Trouble had been brewing earlier, with Saito communicating to Takaichi that several points on basic

principles must be addressed to continue the coalition arrangement. With no positive response from the LDP, Saito faced an emergency party meeting on Thursday where **local party organizations expressed their frustrations with the LDP and the coalition partnership**.

Komeito's reasons for leaving are manifold: 1) Takaichi's position on **political reform and history**; 2) **asymmetrical election cooperation**; and 3) **Takaichi's secret meeting with Democratic Party for the People (DPFP) leader Tamaki Yuichiro** before her summit with Saito.

The end of the coalition **spells trouble in upcoming elections** for the most vulnerable LDP lawmakers. The LDP will now seek out other opposition partners like the **DPFP or the Japan Innovation Party (Ishin)** to secure a majority in the Diet and get Takaichi elected as Japan's first female prime minister. Both the LDP and **main opposition Constitutional Democratic Party (CDP)** aim to win over the other parties to seize control of government and the legislature.

## **Cabinet Approval**



**44%** (+6 pts.)

**53%** (-6 pts.)

[JNN](#) (October 5)

## **State of the Economy**

**Economy Watchers Survey (Sept.):**  
Seasonally adjusted DI: 47.1 (+0.4 pt.)  
5<sup>th</sup> consecutive month on the rise  
Maintained assessment, "economy is showing signs of picking up"

**Current Account Balance (Sept.):**  
¥3.78 trillion surplus  
7<sup>th</sup> consecutive month in surplus

**Real Household Consumption (Aug.):**  
¥313,977 (+2.3%)  
4<sup>th</sup> consecutive month on the rise

**Index of Business Conditions (Aug.):**  
Coincident index: 113.4 (-0.7 pt.)  
Maintained assessment that economy is "halting to fall"