



The Weekly Observer

October 20-24

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

Takaichi Elected Japan's 104th Prime Minister

On Tuesday, ruling Liberal Democratic Party President **Takaichi Sanae** was elected Japan's 104th prime minister, winning the Lower House vote in one round and the Upper House vote in a runoff.

Takaichi secured 237 votes in the Lower House, owing to a few votes from independent lawmakers to get across the majority line, while the **LDP and Japan Innovation Party (Nippon Ishin no Kai)** fell short of the majority in the Upper House but had a plurality of votes in the runoff to secure Takaichi the victory.

In her first Cabinet meeting, Takaichi instructed her ministers to **"create a strong economy, changing concerns about livelihood and the future into hope."** She instructed ministers to work on three policy areas: **economy, local and safety, and diplomacy and defense.**

The Takaichi Cabinet was formed solely by the LDP, with the help of *Ishin* in a **"confidence and supply"**

arrangement. Unlike a fully-fledged coalition agreement, *Ishin* will not provide Cabinet members and can vote freely on legislation.

The two parties **entered into a policy agreement** on Monday, based on **twelve policy items** that *Ishin* demanded be addressed, including **non-negotiables** like the second capital initiative, reducing social insurance fee costs, and reducing the total number of Diet members by 10 percent. The parties **passed up on discussions around election cooperation**, as the two parties do not have complementary relations like the LDP did with Komeito, its former coalition partner.

Takaichi immediately formed her Cabinet and will head to Malaysia for the **ASEAN Summit** and related meetings over the weekend. She will then meet with **U.S. President Donald Trump** for a highly anticipated summit in Tokyo before jetting off to South Korea for the **APEC Economic Leaders' Meeting**, where she is likely to meet **South Korean President Lee Jae-myung** and **Chinese President Xi Jinping**.

Cabinet Approval



64% (+30 pts.)

23% (-28 pts.)

[Kyodo News](#) (October 23)

State of the Economy

Trade Balance (FY 2025 H1):

¥1.22 trillion deficit
Deficit amount shrank 61.2%

Total exports to U.S. fell 10.2% to
¥9.71 trillion

Auto exports fell 22.7% to ¥2.39
trillion

Number of vehicles exported to the
U.S. fell 2.4% to 662,914

Consumer Price Index (September):

111.4 (+2.9%)

1st hike in rate of increase in 4 months

Food prices excluding volatile fresh
food items rose 7.6%

Rate of increase in rice prices was
49.2%, lower than 69.7% in August