

The Weekly Observer

March 16-20, 2026

The 216th edition of the weekly newsletter aggregating news on Japanese politics. This week focuses on the Takaichi-Trump Summit in Washington, Japan's dilemma over sending troops to the Middle East, the Japan-Singapore Summit, Koizumi's phone calls with key partners, the LDP-Ishin Summit, the adoption of a bill to create Japan's own CFIUS, the Bank of Japan's decision to maintain policy interest rates, the February trade balance, and more.

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I. News of the Week

1. Takaichi Visits the United States for Summit with Trump

- Prime Minister Takaichi Sanae [visited](#) the United States from March 18-20 for the first time as Japan's leader and held a summit meeting with U.S. President Donald Trump on Thursday.
- In the opening remarks, Trump [reiterated](#) his support for Takaichi, praising her as a "very popular, powerful woman, and [a] great woman," and stated that she is doing a fantastic job in a large nation with a great reputation. Takaichi conveyed her appreciation of Trump's unwavering commitment to the alliance and stated that she would like to deepen discussions to make both countries strong and prosperous.
- Takaichi explained Japan's position on the situation in Iran, including the importance of international cooperation towards early de-escalation and the realization of peace and stability in the Middle East. She said that Japan aims to initiate a joint initiative for stockpiling crude oil procured from the United States. She [explained](#) that Japan has legal barriers to sending the JSDF to the Strait of Hormuz.
- The two leaders agreed to elevate the alliance to further heights, including advancing security cooperation through the co-development and co-production of missiles. Three bilateral documents were signed to deepen economic cooperation. The projects were [said](#) to have helped avoid pressure from Trump to commit troops to the Hormuz.
 - [Second round of projects under the Strategic Investment Initiative](#): Announcement of 1) the construction of small modular reactors by GE Vernova Hitachi in Tennessee and Alabama worth around \$40 billion, 2) the construction of natural gas generation facilities in Pennsylvania worth around \$17 billion, and 3) the construction of natural gas generation facilities in Texas worth around \$16 billion.
 - [Action plan for critical minerals supply chain resilience](#): The two countries agreed to 1) discuss the feasibility and development of coordinated trade policies and mechanisms like a border-adjusted price floor for critical minerals imports, 2) discuss ways to maintain and strengthen midstream and downstream industries' competitiveness, and 3) consult on how such border-adjusted price floors or other measures may be embodied in a plurilateral agreement on critical minerals trade, and 4) identify specific mining, processing, and manufacturing projects of mutual interest in the United States, Japan, or third countries.
 - [Memorandum of cooperation regarding deep-sea mineral resource development](#): Agreed to establish a working group to facilitate bilateral

cooperation in science and technology, including development of rare earth mud near Minamitorishima Island. The Japanese lead will be the Ministry of Economy, Trade and Industry (METI); the United States lead will be the National Oceanic and Atmospheric Administration.

- Meanwhile, SoftBank Chairman and CEO Son Masayoshi [announced](#) a \$500 billion investment in Ohio on Friday, designed to develop an industrial cluster around data centers through the “Portsmouth Consortium” made up of twenty-one Japanese and American companies. Son said that the consortium will invest \$1 trillion in the next two decades to build the industrial cluster.
- Upon her return to Japan on Saturday, Takaichi [posted](#) on X that, “It was a meaningful visit during which we were able to confirm concrete steps toward further strengthening the Japan-U.S. alliance and promoting economic development in both countries.”

2. Japan Mulls Whether to Send JSDF to the Strait of Hormuz

- On the day of the summit with Trump, Takaichi [issued](#) a joint statement with leaders of the United Kingdom, France, Germany, Italy, the Netherlands, Canada, and others condemning in the strongest terms recent attacks by Iran on unarmed commercial vessels in the Gulf, attacks on civilian infrastructure including oil and gas installations, and the de facto closure of the Strait of Hormuz by Iranian forces.
- Takaichi [stated](#) on Wednesday that the GOJ would only consider dispatching the JSDF to the Middle East under a ceasefire, pointing to a 2019 deployment of an escort ship for the purpose of survey and research. Minister of Defense Koizumi Shinjiro said that Washington had not made a formal request for JSDF deployment.
- The United States did [reportedly request](#) support for a “maritime task force” of willing nations (energy dependent) toward securing safe passage through the Strait during a defense ministerial telephone call on March 15. Takaichi [explained](#) on Monday that the GOJ is exploring its options, such as de-mining, protecting vessels, cooperating with foreign militaries, and expanding the scope of intelligence collection. She [admitted](#) that some missions would require Diet approval.

Legal Basis	Issues/Challenges	Current Situation
Peace and security legislation dictating collective self-defense and rear-end support for other militaries	Prefaced on the fact that the U.S. attack is not a violation of international law	The GOJ has avoided any legal assessment of the U.S. attack on Iran

Maritime security operations based on the JSDF Act	The JSDF can only protect ships registered as Japanese ships	Ships passing through the Strait of Hormuz are registered under different nationalities
Anti-piracy law	Target limited to “pirates”	Target would be Iran
Crafting a special measures act, etc.	Creating a bill or enacting one would require a certain amount of time for Diet deliberations	
“Survey and research” purposes based on the Act for Establishment of the Ministry of Defense	The JSDF can work to secure the safety of Japanese civilian vessels as part of information gathering activities monitoring suspicious activities (precedent set in 2019)	

- Minister for Foreign Affairs Motegi Toshimitsu [held](#) a telephone call with Iranian counterpart Seyyed Abbas Araghchi on Tuesday, reiterating Japan’s position and also expressing concern over the large number of Japanese-related vessels detained in the Persian Gulf and requesting that Iran ensure the safety of all vessels in the Hormuz. Motegi also had phone calls with the foreign ministers of [Saudi Arabia](#) and the [United Arab Emirates](#).
- On Monday, the [release](#) of fifteen days’ worth of civilian oil stockpiles commenced, with the GOJ issuing an official notice lowering the mandatory requirement for oil reserves from seventy days to fifty-five days. The GOJ aims to combine the release and gas subsidies starting on Thursday to suppress rising gasoline prices. The International Energy Agency (IEA) [announced](#) that Japan and the United States accounted for sixty percent of the 400 million barrels released by member states.
- Meanwhile, the Ministry of Defense (MOD) [announced](#) on Saturday that the last transport of Japanese nationals out of the Middle East had been concluded. The GOJ [transported](#) 1,104 nationals on six chartered flights out of the Middle East.

3. Foreign Policy Developments

- On Wednesday, Takaichi [hosted](#) Prime Minister Lawrence Wong of Singapore for a summit meeting in Tokyo on the occasion of his [visit](#) from March 17-19. The leaders agreed to elevate ties to a “strategic partnership” on the occasion of the sixtieth anniversary of the establishment of diplomatic relations.
- The leaders identified five priority cooperation areas: 1) promotion of free trade and economic cooperation, 2) digitalization and technology, 3) security and defense, 4) green transition and energy cooperation, and 5) partnership and exchange.

- In the joint statement [issued](#) after the meeting, the two countries reaffirmed their commitment to lead discussions on maintaining and enhancing the high standards of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), as well as deepening collaboration on AI to build a safe, secure and trustworthy AI ecosystem.
- The Ministry of Foreign Affairs (MOFA) [announced](#) that the Japan-ROK-Latin America dialogue was held in Seoul. The participants discussed the importance of cooperation in Latin America given the general strategic importance of the region.
- On Monday, MOFA [announced](#) that Deputy Director-General Otsuka Kengo of the Asian and Oceanian Affairs Bureau held a Japan-U.S.-ROK foreign ministries' official telephone meeting in response to the ballistic missile launches by North Korea on March 14. They reaffirmed that the launches violate relevant UN Security Council resolutions and called on North Korea to cease such provocations that threaten regional and international peace and security.

4. Defense/Security Developments

- On Wednesday, Koizumi [held](#) a meeting with Sri Lankan Deputy Minister of Defense Major General (Ret.) Aruna Jayasekara in Tokyo. They agreed to further enhance maritime security cooperation and to advance capacity-building efforts aimed at enhancing capabilities in areas like humanitarian assistance and disaster relief.
- *Nikkei* [reported](#) that Japan and France are deepening space defense cooperation, with the JASDF dispatching an officer to the French Space Command and anticipating deeper cooperation in sharing satellite data and holding military exercises together.
- On Monday, Koizumi [held](#) a telephone conference with U.S. Secretary of War Pete Hegseth to exchange the latest information on the situation in the Middle East. Hegseth reaffirmed the U.S. commitment to strengthening deterrence and response capabilities of the alliance and that the recent situation in the Middle East does not entail any changes to the posture of U.S. forces in Japan.
- Koizumi [held](#) a video teleconference with Australian Deputy Prime Minister and Minister for Defense Richard Marles. The ministers exchanged information on the situation in the Middle East and agreed to continue close communication.
- Koizumi [held](#) a video conference with Italian Minister of Defense Guido Crosetto. The ministers exchanged information on the situation in the Middle East and reaffirmed their commitments to the success of the Global Combat Aviation Program (GCAP).

- The ruling Liberal Democratic Party's (LDP) Research Commission on Security [met](#) to discuss cooperation with like-minded countries and utilization of official development assistance ahead of the revision of the three strategic national security documents. Chief Secretary Honda Taro indicated that the ruling parties' recommendations would likely be pushed back until May to coordinate with the Japan Innovation Party (*Nippon Ishin no Kai*).

5. Key Political Developments

- On Thursday, LDP Policy Research Council Chair Kobayashi Takayuki [announced](#) that the party had created a new project team led by former Chief Cabinet Secretary Matsuno Hirokazu to explore legislation criminalizing desecration of the national flag. The party aims to submit new legislation to the Diet this year. The penal code includes a provision that desecration of a foreign flag would result in a custodial sentence of up to two years or a fine of up to ¥200,000.
- Constitutional Democratic Party (CDP) Diet Affairs Chair Saito Yoshitaka [informed](#) his LDP counterpart Isozaki Yoshihiko that his party would not cooperate with budget proceedings if the GOJ and ruling parties do not give up on enacting the FY 2026 annual budget by the end of the fiscal year on March 31 and formulate a provisional budget. The GOJ and ruling parties will make a final decision on the provisional budget next week.
- On Wednesday, the speakers and vice speakers of both Houses [agreed](#) to resume ruling and opposition party discussions toward stable Imperial Family succession as early as April. Takaichi has expressed a desire to amend the Imperial Household Law during the ongoing special Diet session.
- On Tuesday, Takaichi [met](#) with *Ishin* leader Yoshimura Hirofumi and agreed to swiftly move forward with bills to reduce the number of Lower House seats, introduce a second capital, and criminalize desecration of the national flag. The two also agreed to work toward a GOJ-submitted bill legalizing the use of maiden names.
- Minister of State in charge of Economic and Fiscal Policy Kiuchi Minoru [announced](#) the twelve members of the expert panel attached to the National Conference on Social Security. It will be led by former Keio University President Seike Atsushi. The panel will [meet](#) for the first time on March 24. Meanwhile, the Centrist Reform Alliance (CRA), CDP, and Komeito [agreed](#) to join the conference.
- *Asahi* [reported](#) that the GOJ plans to regulate the acquisition of land relevant to national security such as near JSDF facilities, choosing blanket regulation over specifically targeting foreign nationals. Japan already has legislation regulating the use of land but not acquisition itself.

6. Economic Security and Tech Developments

- On Thursday, the Lower House [approved](#) twenty-two nominations to lead eleven government agencies, including the nomination of former Sapporo High Court Chief Justice Kondo Hiroko to head the Cyber Communications Information Oversight Committee to be established in April. Meanwhile, Minister in charge of Cybersecurity Matsumoto Hisashi [revealed](#) on Tuesday that Japan will host the Cyber Champions Summit sponsored by NATO for the first time in 2027.
- On Wednesday, the METI [presented](#) draft revisions to the Semiconductor and Digital Industry Strategy first crafted in 2021 (revised 2023), designating “physical AI” (robotics) as a priority area and formulating policy guidelines that integrate cutting-edge semiconductors, data centers, communications, power supplies, and other related areas. The METI plans to finalize the revisions in the summer.
- On Tuesday, the GOJ [adopted](#) proposed amendments to the Foreign Exchange and Foreign Trade Act (FEFTA) to establish the Japanese version of the Committee on Foreign Investment in the United States (CFIUS). The proposed amendments also require new obligations to report to the GOJ for Japanese entities and investors under the influence of foreign governments or entities when acquiring shares in a company.
- The GOJ [decided](#) that it will begin permitting the use of measures to enter origin servers of cyber attacks and neutralizing threats to critical infrastructure under the “active cyber defense” scheme. The GOJ will monitor communications between foreign countries via Japan and between foreign countries and Japan.
- On Monday, the Ministry of Internal Affairs and Communications (MIC) [hosted](#) the second in-person meeting of the Hiroshima AI Process Friends Group in Tokyo. The sixty-six countries and regions and thirty-eight companies and organizations participating in the meeting adopted a one-year action plan, which included hosting a workshop on the reporting frameworks under the G7 related to AI risk. The group will also share information on AI use to resolve social challenges.
- On Sunday, the METI [announced](#) that it had co-hosted the Indo-Pacific Energy Security Ministerial and Business Forum with the U.S. Government from March 14-15. Participants discussed energy security measures in view of the current situation in the Middle East, as well as robust energy systems that will contribute to future energy security. Akazawa met with U.S. Secretary of the Interior Doug Burgum and Administrator of the U.S. Environmental Protection Agency Lee Zeldin on the sidelines and agreed to establish a rapid response group to discuss information sharing and cooperation in the event of a critical minerals supply chain disruption.

7. Key Economic/Financial Developments

- On Thursday, the Bank of Japan (BOJ) [decided](#) to maintain policy interest rates at 0.75 percent as it [continues to monitor](#) the impact of the situation in the Middle East on the economy and prices. Governor Ueda Kazuo [explained](#) after the meeting that the “possibility of a risk scenario has increased,” pointing out that the surge in crude oil prices may weigh on the economy.
- Minister of Finance Katayama Satsuki [said](#) that the ministry is “fully prepared” to respond to the yen depreciation as the yen falls to ¥159 to the dollar. The Nikkei Stock Average (Nikkei 225) has been in flux due to the situation in the Middle East, this week [rebounding](#) to ¥55,239.40 at a rate of increase last seen in February.
- Tokyo Electric Power Co. (TEPCO) [announced](#) that restarting operations at its No. 6 generator at the Kashiwazaki-Kariwa nuclear power plant may take until April as the company deals with an alarm sounding earlier in the month, likely indicating that electricity was leaking from the generator. The company believes that an earthing component, which diverts current to the ground to ensure safety of equipment in the event of a leak, broke due to the generator’s vibrations.
- *Nikkei* [reported](#) Wednesday that the Hon Hai Technology Group (Foxconn) has entered negotiations with Mitsubishi Electric’s automobile parts subsidiary Mitsubishi Electric Mobility to develop electric vehicle parts. The company is already in partnership with Mitsubishi Fuso Truck and Bus Corp. to build EV buses in Japan and signed a vehicle supplier agreement in May 2025 with Mitsubishi Motors.
- *Nikkei* [reported](#) Tuesday that the METI will support “highly skilled foreign professionals” like engineers learn business Japanese and business customs as a way to secure skilled talent amid labor shortages. The ministry plans to subsidize ¥170 million for the creation of industry-specific language textbooks.
- On Monday, an expert panel under the Cabinet Office (CAO) [approved](#) in principle both a roadmap and basic approach toward realizing nuclear fusion generation via tests in the 2030s. The METI will select companies to take part in generation testing projects in the spring and subsidize up to ¥60 billion over three years.

8. State of the Economy

- On Thursday, the CAO [announced](#) that seasonally adjusted machinery orders — a leading indicator of capital investment — in January fell 5.5 percent from December 2025 to ¥982.4 billion, the [first decline](#) in two months. The CAO maintained the assessment that “there are signs of recovery.”

- On Wednesday, the Ministry of Finance (MOF) [announced](#) that Japan ran a ¥57.3 billion trade surplus in February, the [first surplus](#) in two months and a 89.8 percent reduction in the surplus amount compared to February 2025. While exports to the United States fell for the third straight month, export of electronic components such as semiconductors to Asia increased.
- Exports increased for the sixth consecutive month at 4.2 percent in February to ¥9.57 trillion, the largest export volume in any given February. Meanwhile, imports increased 10.2 percent to ¥9.51 trillion. Crude oil imports increased 16.4 percent in volume but decreased 4.2 percent in monetary terms as the price of oil had fallen 18.3 percent on average in dollar denominations before the onset of the Iran situation.
- The Japan National Tourism Organization (JNTO) [announced](#) that the number of foreign travelers to Japan in February increased 6.4 percent from the same month last year to 3.46 million. This was the [highest ever recorded](#) in February and the first time in two months that numbers increased from the same month the previous year. Future uncertainty is on the rise due to Chinese tourists cutting back on travel to Japan and due to the onset of the situation in the Middle East.
- On Tuesday, the CAO [announced](#) that the demand-supply gap (GDP gap) in the October-December 2025 quarter was 0.2 percent, or ¥1 trillion excess demand on an annual basis. The GDP gap for the 2025 calendar year was 0.3 percent, the [first positive value](#) in two years.

II. Public Opinion Poll

- An *Asahi* poll [released](#) on Sunday found that the Takaichi Cabinet's approval rating was 61 percent, down two points from February, while disapproval was 26 percent, up two points.
 - 37 percent of respondents said that they approved of the Cabinet because it seemed better than the alternatives; 29 percent said because of its policies; and 25 percent said because Takaichi is the prime minister.
 - 42 percent of respondents said that they disapproved because it is centered around the LDP; 33 percent said because of its policies; and 12 percent said because the alternatives seem better.
 - 43 percent of respondents said that they disapprove of Takaichi's response to rising prices, while 38 percent said they approve.
 - 82 percent of respondents said that they do not support the United States and Israel's attack on Iran, while 9 percent said they do support it.
 - 51 percent of respondents said that they disapprove of Takaichi not commenting on the legality of the attack, while 34 percent said they approve.

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- 53 percent of respondents said that they have strong concerns about the impact of the U.S. attack on Iran on the Japanese economy; 37 percent said they have somewhat of a concern; 7 percent said they have little concern; and 3 percent said they have no concern.
 - 51 percent of respondents said that they do not think it is a good idea to cut back deliberations hours to enact the FY 2026 annual budget by the end of the fiscal year, while 34 percent said they think it is a good idea.
 - 28 percent of respondents each said that they believe it is a big or not so big problem that Takaichi has distributed catalog gifts to LDP lawmakers; 27 percent said it is somewhat of a problem; and 15 percent said there is no problem.
 - 61 percent of respondents said that they do not believe that LDP lawmakers can completely cut ties with the Unification Church, while 25 percent said they believe the lawmakers can.
- The survey also collected data on the latest approval ratings of political parties.

Political Party	Approval Rating (%)
Liberal Democratic Party	35 (±0)
Centrist Reform Alliance	5 (-2)
Japan Innovation Party	3 (-1)
Democratic Party for the People	4 (-1)
Japan Communist Party	3 (±0)
Reiwa Shinsengumi	1 (±0)
Suffrage Party (Sanseitō)	3 (-1)
Japan Conservative Party	1 (+1)
Socialist Democratic Party	1 (±0)
Team Mirai	3 (±0)
Constitutional Democratic Party	1 (±0)
Komeito	1 (+1)
Independent (No Party)	32 (+1)