



# The Weekly Observer

May 25-29

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

## Quad Foreign Ministers Meet for First Time in 2026

On Tuesday, **Minister for Foreign Affairs Motegi Toshimitsu** participated in the **Quad foreign ministerial meeting** held in New Delhi, India. This was the **first time** the foreign ministers met since **July 2025**.

The ministers announced **several new initiatives**, including the “**Quad Initiative on Indo-Pacific Energy Security**” to help regional energy resilience, the “**Quad Critical Minerals Initiative Framework**” to strengthen supply chains, and the **first-ever “Indo-Pacific Surveillance Collaboration”** to enhance information sharing and maritime domain awareness capacity with an initial focus on the Indian Ocean.

The joint statement issued after the meeting **reiterated the importance of adhering to international law and respect for the safety and uninterrupted flow of global commerce through the Strait of Hormuz**.

## GOJ Aims to Enact FY 2026 Supplementary Budget on June 5

On Monday, **Prime Minister Takaichi Sanae** announced that the **GOJ will formulate a FY 2026 supplementary budget of over ¥3 trillion** to strengthen efforts to ensure that the lives and livelihoods of the public, as well as economic activities, are not disrupted by the ongoing situation in the Middle East.

The GOJ plans to use the funds to **implement utility subsidies** from July to September. The subsidy is expected to reduce costs on an average household by approximately **¥500 billion** in the three months.

The GOJ informed the ruling and opposition parties on Wednesday that it plans to **submit the FY 2026 supplementary budget on June 3**.

The parties agreed to hold a Q&A session with Takaichi on June 4 and 5, with **plans to put the budget up for a vote on June 5**. The ruling parties aim to **speed through the process** with just one day of deliberation each in both Houses.

## Cabinet Approval



**50%** (-3 pts.)

**33%** (+/- 0 pt.)

[Mainichi Shimbun](#) (May 25)

## State of the Economy

**Monthly Economic Report (May):** Maintained assessment for **3<sup>rd</sup>** consecutive month that economy is “recovering at a moderate pace”

**Consumer Confidence Index (May):** 33.6 (+1.4 pts. from April)  
1<sup>st</sup> improvement in 3 months  
Maintained assessment that confidence remains “weak”

**Employment Statistics (April):**  
Jobs-to-applicants: 1.18x (same)  
Unemployment: 2.5% (-0.2 pts.)

**Net Foreign Assets (2025):**  
¥561.75 trillion (+4.4% from 2024)  
Japan overtaken by China as **2<sup>nd</sup>** largest holder of foreign assets