



YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

The Weekly Observer

June 1-5

THIS WEEK IN NUMBERS

Diet Enacts FY 2026 Supplementary Budget

On Friday, the Upper House passed/enacted the **FY 2026 supplementary budget**.

The budget amounted to **¥3.11 trillion**, including **¥2.5 trillion** for the reserve fund to respond to the situation in the Middle East, **¥513.5 billion** to cover for expenses accrued from the FY 2026 reserve fund in relation to summer utility subsidies, and **¥100 billion** for local grants that can be used at the discretion of local governments, including to address surging LP gas prices.

The budget was enacted at **breakneck speed**, taking only an **unprecedented three days** from submission. The **GOJ refused to revise the budget** as requested by opposition parties. It only allowed for a day of deliberation in each House. The **opposition parties criticized the “blank check” nature** of the reserve fund, which requires no Diet approval to determine the purpose of spending.

GOJ Secures Claude Mythos Access

On Wednesday, **Minister for Digital Transformation Matsumoto Hisashi welcomed Anthropic’s decision to grant access to frontier AI model Claude Mythos**, stating that, “**the fact that the door opened is a major step forward.**”

Anthropic announced on Tuesday that **it has granted access to 150 companies and organizations in over fifteen countries**, including Japan. Access so far had only been granted to approximately fifty companies and organizations and the U.S. Government. **Trend Micro became the first Japanese company to announce that it had been granted access to Claude Mythos on Thursday.**

Minister of Finance Katayama Satsuki said Tuesday that the **GOJ, Japan’s three megabanks, and other organizations considered critical infrastructure providers outside the financial sector** had been granted access to Claude Mythos.

Cabinet Approval



66% (-3 pts.)

28% (+2 pts.)

[Nihon Keizai Shimbun](#) (June 1)

State of the Economy

Tax Revenue (April):

¥7.92 trillion (+5.5%)
Corporate tax revenue grew 17.4% to ¥827.5 billion

Real Wages (April):

+1.9% from April 2025
4th consecutive month of growth

GDP Gap (Jan.-March):

¥3 trillion demand surplus (0.5%)
6th consecutive quarter positive

Recurring Profit (Jan.-March):

¥32.63 trillion (+14.6%) for all industries excluding finance and insurance
6th consecutive quarter positive