The Weekly Observer

July 13-17

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

Special Diet Session Extended Until July 25

On Friday, the Lower House passed a motion submitted by the **ruling Liberal Democratic Party (LDP) and Japan Innovation Party (Nippon Ishin no Kai) to extend the special Diet session by a week** until July 25.

The ruling parties aim to use the extended time to **enact the "second capital initiative" bill** which prepares Japan for disasters by relocating key capital functions to prefectures other than Tokyo. It also plans to enact other legislation such as the **proposed amendments to the national referendum law**. A session of **intense deliberation with Prime Minister Takaichi Sanae** will be held on July 24.

The "second capital initiative" bill is a **major pillar of the LDP-Ishin policy agreement** signed in October 2025. While it passed through the Lower House on Friday, it faces **fierce resistance from opposition parties** in the Upper House where the ruling parties are a few votes short of a majority.

GOJ Adopts Updated AI Basic Plan and Integrated Innovation Strategy 2026

On Tuesday, the GOJ adopted the **updated AI Basic Plan**, which was first adopted in December 2025. The swift update **reflects a desire to address rising risks related to high-performance AI models** like Anthropic's Claude Mythos**.**

It also stated that the **GOJ will "continuously strengthen" cybersecurity measures.**

The GOJ also adopted the **Integrated Innovation Strategy 2026 t**he same day. It is centered around **strengthening research foundations and human resource development.**

The GOJ set the goal of **producing 20,000 doctoral degree recipients annually by FY 2030** and sending a **cumulative total of 30,000 young researchers abroad**. It will support **cutting-edge research** through measures such as **expanding the grants-in-aid for scientific research (*kakenhi*).**

THIS WEEK IN NUMBERS

Cabinet Approval

62% (-3 pts.)

31% (+3 pts.)

FNN/*Sankei Shimbun* (July 13)

State of the Economy

Comprehensive Survey of Living Conditions (2025):
Average household income increased 7.3% from 2024 to ¥5.75 trillion

Median household income rose from ¥4.1 million to ¥4.51 million

Growth rate was highest since survey began in 1986

BOJ Public Opinion Survey (June):
86.1% of respondents said that prices would "rise significantly" or "rise slightly" in 5 years' time (+3.5%)

51.3% of those respondents said prices would "rise significantly" (+5.3 percentage points)