

The Weekly Observer

September 7-11, 2026

The 241st edition of the weekly newsletter aggregating news on Japanese politics. This week focuses on Japanese political and business delegations planning travel to China, expert panel recommendations on ODA use, Vice Minister of Defense Ando's participation in the Seoul Defense Dialogue, the disbandment of the opposition CRA, the re-election of Tamaki Yuichiro as DPFP president, China imposing anti-dumping measures on Japan, the first designation of GX Strategy Regions, the APEC Energy Ministerial Meeting in China, a birth trend survey finding that Japanese youth are not interested in marriage, and more.

By Content

I. News of the Week

Foreign Policy/Security

1. Japanese Delegations Seek Breakthrough in Japan-China Relations
2. Foreign Policy Developments
3. Security/Defense Developments

Domestic Politics

4. CRA Disbands, Ex-CDP Lawmakers to Form a New Party
5. Key Political Developments

Economics/Finance

6. China Imposes Anti-Dumping Measures on Japan
7. Economic Security and Tech Developments
8. Key Developments
9. State of the Economy

II. Public Opinion Polls

1. JNN (9/6)

I. News of the Week

1. Japanese Delegations Seek Breakthrough in Japan-China Relations

- On Friday, Japan-China Friendship Parliamentarians' Union Chairman Moriyama Hiroshi [announced](#) that a delegation of eight Diet members led by the ruling Liberal Democratic Party's (LDP) Komura Masahiro will visit Beijing from September 13-15 to meet with the Chinese People's Association for Friendship with Foreign Countries.
- The Union seeks to resume a channel of communication between Japan and China, which has been suspended since Prime Minister Takaichi Sanae's remarks on a Taiwan contingency last November. Komura is the son of Komura Masahiko, former LDP vice president who served as chairman of the Union from 2004-2013.
- While younger Diet members seek to engage China, The Japan Association for the Promotion of International Trade (JAPIT), a business group chaired by former Foreign Minister Iwaya Takeshi, is also [arranging](#) a four-day delegation visit to Beijing from September 27. The delegation, led by Iwaya and Deputy Chairman Hashimoto Gaku (LDP), will also include around fifty member companies and executives. The group seeks to meet with the Chinese Communist Party leadership.
- Official dialogue between Japan and China continues to be virtually non-existent since Takaichi's remarks in November 2025. There have been several brief conversations between government officials and political appointees, with the latest [happening](#) between Parliamentary Vice Minister of Economy, Trade and Industry Ochi Toshiyuki and Director of China's National Energy Administration Wang Hongzhi at the APEC Energy Ministerial held in Beijing from September 10-11.
- The Chinese government has continued to "retaliate" against Japanese measures it perceives to be targeting China, with the Chinese Embassy in Japan [announcing](#) on Friday that it will raise the application fee for visas obtained by Japanese citizens by approximately seven times starting September 14. The GOJ just announced a fivefold increase in visa application fees for all foreign nationals back in July.

2. Foreign Policy Developments

- On Friday, Minister of Economy, Trade and Industry (METI) Akazawa Ryosei [told](#) *Nikkei* in an interview that the third round of Japan-U.S. Strategic Investment Initiative (SII) projects will likely prioritize the power sector. He indicated that next-generation nuclear power (second round) may come back as well.
- On Thursday, the Ministry of Foreign Affairs' (MOFA) expert panel discussing the utilization of official development assistance (ODA) [submitted](#) recommendations to

- Minister for Foreign Affairs Motegi Toshimitsu [calling](#) for the use of ODA for “urgent policy needs” like security and economic security. The panel also proposed the creation of a strategic dialogue between MOFA and the Japan International Cooperation Agency (JICA).
- NHK [reported](#) that Takaichi is arranging travel to New York for the United Nations General Assembly session from September 21-24. She is scheduled to deliver a speech at the General Assembly on September 22. Motegi will travel ahead of Takaichi’s arrival to attend UN-related events and the G7 foreign ministerial.
 - On Tuesday, Motegi [held](#) a telephone call with Iranian Foreign Minister Seyyed Abbas Araghchi, expressing deep concern over the resumption of exchanges of attacks between the United States and Iran. He also expressed concern over Iran’s continued attacks on civilian vessels and strongly requested Iran to exercise maximum restraint.
 - The GOJ [decided to provide](#) an emergency grant of \$3 million in response to the flash flood disaster in Nepal. Japan will provide humanitarian assistance in sectors such as food, health, water, sanitation and hygiene through international institutions like the World Food Programme (WFP) and the International Federation of Red Cross and Red Crescent Societies (IFRC).
 - *Sankei* [reported](#) Sunday that the GOJ is moving forward with an ODA support plan to renovate fishing ports in Indonesia so that patrol vessels from the country’s coast guard can also make port calls, with the aim of making the ports more versatile. The goal is to increase the number of patrol vessel bases and strengthen maritime surveillance capabilities to enhance capacity to combat illegal fishing and smuggling.

3. Security/Defense Developments

- On Saturday, the Republic of Korea Joint Chiefs of Staff [announced](#) that North Korea launched multiple ballistic missiles toward the Sea of Japan. The missile launch is expected to be in response to the Japan-U.S.-ROK trilateral multi-domain military exercise “Freedom Edge 26” taking place between September 7-11.
- *Nikkei* [reported](#) Friday that the Ministry of Defense (MOD) plans to explore amendments to the Act on Strengthening the Foundation for the Development and Production of Defense Equipment to establish a new subsidy program in FY 2027 to support corporate capital investments aimed at increasing the production of defense equipment like ammunition and drones.
- *Asahi* [reported](#) Thursday that the U.S. Navy’s minesweeper “Warrior” (assigned to U.S. Navy’s Sasebo Naval Base) entered Hakodate Port on Wednesday and docked at

the shipyard “Hakodate Dotsuku” for hull maintenance. While this is the seventy-fifth time a U.S. naval vessel has docked in Hakodate, it is the first time that Hakodate Dotsuku has accepted a maintenance project from the U.S. Navy.

- *Asahi* [reported](#) that the JASDF dispatched three F2 fighter jets to India for the first time for the joint exercise “Veer Guardian 26” to be held from September 9-21. This is part of efforts by the JASDF to engage in exercises with like-minded partners. The JASDF dispatched aircraft to Europe for the first time last year.
- *Nikkei* [reported](#) that the MOD plans to develop sensors capable of detecting foreign submarines using small drones by FY 2031, aiming to enhance surveillance capabilities with an eye toward China while minimizing the burden on field personnel. Meanwhile, *Yomiuri* [reported](#) Sunday that the GOJ is arranging to expand its “satellite constellation,” which uses a large number of satellites operating in unison to track and detect targets, to a system of more than one hundred satellites to enhance the effectiveness of counterstrike capabilities.
- On Tuesday, the MOD [announced](#) that Vice Minister Ando Atsushi participated in the Seoul Defense Dialogue hosted by the ROK Ministry of National Defense. During his stay in Seoul, Ando also held talks with Vice Minister Lee Doo-hee, exchanging views on both bilateral and trilateral defense cooperation with the United States.

4. CRA Disbands, Ex-CDP Lawmakers to Form a New Party

- On Wednesday, opposition Centrist Reform Alliance (CRA) [decided](#) that it will disband the party, leaving one lawmaker to handle administrative tasks. Lawmakers who joined from the Constitutional Democratic Party (CDP) will form a new party (twenty), while those from Komeito (twenty-eight) will return to Komeito.
- The CRA is [taking](#) a “split” approach rather than disbanding the party altogether. This enables the party to receive political party grants (taxpayer money) until the end of the year. The party is being criticized for taking this approach, which gives them funding despite effectively ending political activities as a party.
- CRA leader Ogawa Junya [argued](#) that the party must remain in place until the debt incurred during the Lower House election in February is paid off. The CRA is due to receive ¥1.17 billion in the remaining months of the year. Ogawa also stated that the split parties will aim to form a united group within the Lower House to maintain a united front in the upcoming extraordinary Diet session.
- The CRA is [expected to decide](#) its “new form” by the end of the week, with the likely outcome being a united grouping within the Lower House to maintain status as the

largest opposition force. The hope is also to reach out to other centrist-leaning politicians to create a larger “centrist” grouping within the Diet.

- On Friday, Ogawa [stated](#) that he hopes to reach “some conclusion” on forming a new political party next week. It is unclear whether all twenty former CDP lawmakers will join this new party. Rep. Watanabe Soh was [selected](#) to be the one remaining member in the CRA to handle administrative tasks to disband the party.

5. Key Political Developments

- On Thursday, the CRA, the Democratic Party for the People (DPFP), *Sanseitō*, and Team Mirai [submitted](#) recommendations to Lower House Election System Council Chair Suzuki Keisuke (LDP) opposing the proposal to reduce the number of seats by forty-five exclusively in proportional representation. The parties propose setting up a third-party panel to determine the “appropriate” level of reduction.
- On Wednesday, the GOJ [convened](#) an expert panel session concerning the acceptance of foreign labor, presenting a proposal to add the aviation sector to the list of seventeen job categories covered under the employment for skill development visa. The GOJ also [discussed](#) the food service sector under the Specified Skilled Worker (Type One) visa, for which new applications are currently suspended. While the industry argues that the “situation on site is extremely tight,” it remains to be seen whether the GOJ will resume accepting new workers (near the cap of 50,000 already).
- *Jiji* [reported](#) that Takaichi is expected to reshuffle her Cabinet as early as September 16, alongside the LDP leadership. GOJ officials say the Cabinet reshuffle could take place a day later. There are [rumors](#) that new ministerial roles will be created for regulatory reform (Japan Innovation Party?) and the consumption tax cut/handout for low- and middle-income earners.
- *Yomiuri* [reported](#) Monday that the Senate Reform Council will establish a specialized committee on the electoral system when the extraordinary Diet session convenes next month to accelerate discussions on addressing the disparity in voting power amongst prefectures, dissolution of at-large constituencies, among other issues. The committee will be formed by the twelve political parties/groupings within the Senate and chaired by the LDP.
- On Sunday, the DPFP [re-elected](#) Tamaki Yuichiro for a third term as president of the party. Tamaki, who defeated Deputy Policy Research Council Chair Hashimoto Mikihiro, will serve as president until the end of September 2029. He indicated that the party’s goal is to become the largest opposition party in the Senate after the summer 2028 Senate election.

6. China Imposes Anti-Dumping Measures on Japan

- On Monday, the Chinese Ministry of Commerce [announced](#) that it would impose anti-dumping measures on the specialty gas dichlorosilane from Japan that are necessary for the production of semiconductors and liquid crystal displays.
- Starting Tuesday, importers must pay a security deposit of up to 99.2 percent to customs. The duty rates for importers were set at 99.2 percent for imports from Shin-Etsu Chemical, 80.8 percent for Denka's subsidiary Denal Silane, and 99.2 percent for other Japanese companies.
- Commerce presented preliminary findings indicating that "the domestic industry is suffering injury." Measures such as anti-dumping tariffs may be imposed if it is ultimately determined that dumping has occurred.
- China launched anti-dumping investigations targeting Japanese products in January. Some see this as a retaliatory measure in response to Takaichi's remarks in the Diet regarding a Taiwan contingency back in November 2025. Her remarks triggered other measures like the tightening of export controls on dual-use goods.
- On Tuesday, Chief Cabinet Secretary Kihara Minoru [said](#) that, "We will take appropriate measures to ensure that our business operations are not unduly affected." He added that the GOJ lodged a strong protest and demanded the withdrawal of these measures, as "export control measures targeting Japan alone run counter to international practice."

7. Economic Security and Tech Developments

- On Friday, the METI [announced](#) that it had designated eighteen regions as the first batch of "Green Transformation (GX) Strategy Regions." The GOJ will [promote](#) the clustering of data centers and factories that utilize renewable energy to support decarbonization and strengthen industrial competitiveness. The METI selected one "industrial complex revitalization" region, nine "data center cluster" regions, and eight "decarbonized energy utilization" regions.
- Minister of Land, Infrastructure, Infrastructure, Transport and Tourism (MLIT) Kaneko Yasushi [announced](#) that the GOJ will provide subsidies totaling up to approximately ¥98 billion to four companies, including Mitsubishi Shipbuilding, and another group led by Shin Kurushima Dockyard to support capital expenditures. The GOJ has allocated ¥350 billion over the next decade for shipbuilding, one of the seventeen strategic growth sectors.

- On Thursday, METI Minister Akazawa and Slovenia's Deputy Prime Minister and Minister of Infrastructure and Energy Jernej Vrtovec [signed](#) a memorandum toward the utilization of hydrogen energy. The participating companies will launch a study on the use of hydrogen in Slovenia, which will lead to initiatives such as the development of hydrogen plants that connect the power grid and the natural gas transmission network.
- *Yomiuri* [reported](#) Wednesday that the GOJ's certification system for universities with advanced research capabilities — the "Core University Clusters for Industrial Competitiveness and Research Capabilities" — to be established next fiscal year will designate approximately ten universities that contribute to strengthening industrial competitiveness around the GOJ's seventeen strategic growth sectors. The plan is to provide ongoing support of ¥10 billion or so per university for about fifteen years.
- *Nikkei* [reported](#) that the "IOWN AI Fund" established by NTT has made its first investment in the Spanish optical technology company iPronics, participating in the startup's funding round totalling \$125 million. iPronics develops optical circuit switches for AI data centers, specializing in technology that uses software to manage optical connections within and between server racks.
- On Tuesday, Samsung Electronics [held](#) an opening ceremony for its AI semiconductor research center in Yokohama. Out of the ¥40 billion invested in the "Advanced Package Lab," ¥22.5 billion will be provided by the GOJ. A total of ninety-five Japanese and South Korean researchers will conduct material evaluations for back-end processes and develop mass production technologies.

8. Key Economic/Financial Developments

- On Friday, the LDP and Japan Innovation Party (*Nippon Ishin no Kai*) [approved](#) the tax system reform plan concerning the food consumption tax cut and the income-tied cash handout. Local governments also agreed to the proposal by the GOJ to shoulder over two-thirds of the costs to implement the handout in FY 2029 and compensate the rest of the cost through local allocation tax grants. The GOJ plans to adopt the plan on September 15 and submit legislation during the fall extraordinary Diet session.
- *Nikkei* [reported](#) that the Bank of Japan (BOJ) plans to raise its policy interest rate from the current one percent to 1.25 percent at the next monetary policy meeting to be held on September 17-18. This is the first rate hike in three months and represents the shortest interval between hikes since the rate-hiking cycle began in March 2024. The move aims to curb the risk of inflationary pressures stemming from high oil prices and a weak yen.

- Parliamentary Vice Minister of Economy, Trade and Industry Ochi Toshiyuki [attended](#) the APEC Energy Ministerial Meeting held in Beijing on September 10-11. The ministers [agreed](#) to encourage practical cooperation to strengthen energy supply chain resilience amid surging oil prices, as well as to set up the “Task Force on the Mutual Enhancement of AI and Energy” proposed by China to strengthen cooperation on coordinate planning and development of energy and computing infrastructure.
- The Nikkei Stock Average (Nikkei 225) [fell sharply](#) on the Tokyo Stock Exchange, closing out at ¥64,011.34, down ¥1,259.61 from the previous day and marking its lowest level in about a month. Investors adopted a more risk-averse approach amid concerns that soaring crude oil prices and rising global interest rates could lead to a downturn in the economy and corporate prices.
- The yen exchange rate [stood](#) at ¥154.34-36 per dollar, marking a ¥0.94 depreciation of the yen and appreciation of the dollar compared to Thursday. Tensions in the Middle East are escalating, causing U.S. crude oil futures to surge. The momentum behind yen selling and dollar buying, driven by concerns over the Japan-U.S. interest rate gap and Japan’s widening trade deficit, has weakened.
- On Thursday, the METI [hosted](#) the Hydrogen Energy Ministerial Meeting in Chiba. The Chair’s Summary emphasized the significance of hydrogen and ammonia for energy security and for the resilience of industrial supply chains, as well as the importance of creating demand through public-private collaboration and fostering market formation through international cooperation.

9. State of the Economy

- On Friday, the BOJ [announced](#) that the corporate goods price index (CGPI) in August rose 7.6 percent from the same month last year to 136.1, the third consecutive month exceeding 7 percent. The growth rate remains high due to rising resource costs and increasing demand for AI-related products.
- The National Institute of Population and Social Security Research [released](#) the results of its Basic Survey on Birth Trends 2025, which [found](#) that the percentage of unmarried people aged eighteen to thirty-four who said they have “no intention of ever getting married” exceeded 20 percent for the first time since the survey began. Though finances play a major role, some people who would have otherwise gotten married may have lost their desire to marry altogether.
- On Tuesday, the Cabinet Office (CAO) [announced](#) that the seasonally adjusted real GDP in the April-June quarter rose 0.4 percent on a quarterly basis and 1.4 percent on an annual basis. This [represents](#) an upward revision from the preliminary figures

released in August, which had the numbers at 0.3 percent and 1.1 percent, respectively. Latest statistics show that the decline in capital investment has slowed.

- The Ministry of Finance (MOF) [announced](#) that Japan ran a ¥2.99 trillion current account surplus in July, a 15.6 percent increase from the same month last year and the [first time](#) in two months in a surplus. While there was a ¥399.9 billion trade deficit, the travel balance [exceeded](#) the previous month for the first time in five months, reaching a ¥558.5 billion surplus and helping boost the current account balance.
- Tokyo Shoko Research [announced](#) that the number of corporate bankruptcies nationwide in August with liabilities of ¥10 million or more was 830, a 3 percent increase from the same month last year. The number of bankruptcies in the food and beverage industry [increased](#) 43 percent, largely due to factors such as labor shortages caused by rising labor costs and employee resignations, as well as increased costs resulting from inflation.
- On Monday, the MOF [announced](#) that foreign exchange reserves as of the end of August stood at \$1.21 trillion (approximately ¥188 trillion), down 6.2 percent from the end of July. The rate of depletion of reserves was the [largest on record](#) since April 2000, owing to the funds used by the GOJ and BOJ to carry out foreign exchange interventions in July.

II. Public Opinion Poll

- A JNN poll [released](#) on Sunday found that the Takaichi Cabinet's approval rating was 63 percent, up three points, while disapproval fell three points to 35 percent.
 - 42 percent of respondents said that they somewhat disapprove of the Takaichi Cabinet's inflation response so far; 34 percent said they somewhat approve; 15 percent said they strongly disapprove; and 6 percent said they strongly approve.
 - 51 percent of respondents said that they support the food consumption tax cut to one percent, while 42 percent said they oppose it.
 - 42 percent of respondents said that they believe the consumption tax cut will have little effect as an inflation relief measure; 36 percent said they believe it will be somewhat effective; 13 percent said they believe it will not be effective at all; and 7 percent said they believe it will be very effective.
 - 56 percent of respondents said that they will likely continue eating out even if the consumption tax on dining out is 10 percent, while 38 percent said they will likely cut back on eating out.
 - 53 percent of respondents said that they oppose the re-hiking of the food consumption tax to 8 percent after two years, while 37 percent said they support it.

- 40 percent of respondents said that they believe the Takaichi Cabinet should be somewhat reshuffled; 28 percent said they believe there is no need to change much; 16 percent said they believe it should be reshuffled significantly; and 10 percent said there is little need to change anything.
 - 73 percent of respondents said that they believe it would be a problem if slush fund implicated lawmakers take key positions, while 19 percent said they do not believe it would be a problem.
- The survey also collected data on the latest approval ratings of political parties.

Political Party	Approval Rating (%)
Liberal Democratic Party	32.2 (+1.3)
Centrist Reform Alliance	1 (-0.9)
Japan Innovation Party	2.2 (-0.7)
Democratic Party for the People	2.6 (-0.4)
Suffrage Party (Sanseitō)	4.4 (+1.7)
Team Mirai	1.9 (+0.5)
Japan Communist Party	2 (-0.3)
Reiwa Shinsengumi	0.3 (-0.6)
Japan Conservative Party	1.3 (+0.9)
Socialist Democratic Party	0.5 (+0.3)
Constitutional Democratic Party	2.7 (+0.3)
Komeito	1.2 (-0.2)
Independent (No Party)	43.1 (-3.3)