The Weekly Observer

October 26-30, 2026

The 248th edition of the weekly newsletter aggregating news on Japanese politics. This week focuses on the Japan-Germany Summit meeting, the G20 Foreign Ministers' Meeting, the ASEAN Defense Ministers' Meeting, the Japan-Bangladesh Summit meeting, talks of a potential corporate tax hike for defense spending, the LDP-Ishin-DPFP agreement to reduce House seats by thirty-one, new gasoline subsidies and raising of the benchmark price, the GOJ's cybersecurity response and the GMO breach, AI-related regulatory developments, the BOJ announcing that the 2 percent inflation target has largely been met, the Monthly Economic Report for October, and more.

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I. News of the Week

1. Japan and Germany Agree to Become "Premium Partners"

   - On Wednesday, Prime Minister Takaichi Sanae held a summit meeting with German Chancellor Friedrich Merz. The two leaders agreed to describe the unwavering cooperation between the two countries as that of "premium partners."

   - The leaders expressed hopes for defense industry cooperation, including drone development, and confirmed their intention to hold a foreign and defense ministers' "2+2" meeting soon. About thirty cooperation memoranda were signed between government and private sector participants.

   - The leaders issued separate joint declarations on advanced technology cooperation and economic security. Japan and Germany will set up a high-level dialogue on the safe use of AI and deepen cooperation on 6G and nuclear fusion. The economic security declaration expressed "serious concern" about economic coercion such as export controls on critical minerals, in an apparent reference to China.

   - Takaichi expressed objection to a German-French joint agreement to exclude Japanese-made electric vehicles from EU preferential measures. The joint statement did not explicitly mention any revision, but it said that the two sides would cooperate on each other's policies.

   - Merz mentioned in the joint press conference that Germany is prepared to cooperate with Japan on fighter jets — an apparent reference to rumors that Germany aims to join the Global Combat Air Program (GCAP) between Japan, the United Kingdom, and Italy. *Asahi* reported that GOJ officials believe a revision of the division of labor would delay deployment of the next-generation fighter beyond the 2035 target.

   - Separate from the summit meeting, the Ministry of Economy, Trade and Industry (METI) and the German Federal Ministry for Economic Affairs and Energy signed separate joint declarations on critical minerals, semiconductor ecosystem partnership and clean hydrogen and its derivatives.

2. Foreign Minister Motegi Attends the G20 Foreign Ministerial Meeting

   - Minister for Foreign Affairs Motegi Toshimitsu traveled to Atlanta, Georgia, from October 29-November 1 to attend the G20 foreign ministers' meeting.

   - There were three sessions between the G20 ministers: Geopolitical Issues; Energy and Economic Growth; and Supply Chains.

- **Geopolitical Issues:** Motegi called for easing tensions in the Middle East so that shipping can move freely through the Strait of Hormuz and the Bab el-Mandeb Strait. He pledged continued support for Ukraine, including energy aid for the winter. He also stressed North Korea's denuclearization and opposed unilateral attempts to change the status quo by force or coercion in the East and South China Seas.
- **Energy and Economic Growth:** Motegi said that the G20, which accounts for over 80 percent of global GDP and energy consumption, shares responsibility for the current energy crisis. He named three keys to energy security: free and transparent energy trade, coordinated oil stockpiling, and closer cooperation between producing and consuming countries. He also presented Japan's "POWERR Asia" initiative and its role as a link between Middle Eastern producers and Asian consumers.
- **Supply Chains:** Motegi warned that arbitrary export restrictions and overcapacity driven by non-market policies make supply chains for critical minerals, food, and fertilizers vulnerable. He called for a rules-based economic order, including WTO reform, and for supply diversification through the RISE partnership. He also pointed to Japan's agricultural aid in places like Sudan, and pledged support for the G20 Miami Summit in December.

- Motegi attended the Japan-U.S.-ROK foreign ministers' meeting. The ministers signed a Memorandum of Cooperation on the Trilateral Arctic Pacific Partnership, which sets up a trilateral Arctic Pacific working group to explore maritime safety and emergency response cooperation and to exchange information on economic partnership opportunities. They also welcomed progress in security cooperation (joint exercises, cybersecurity) and economic security (supply chain resilience), reaffirmed their commitment to North Korea's complete denuclearization, and agreed to keep countering Pyongyang's malicious cyber activities.
- On Saturday, Motegi attended the Quad foreign ministers' meeting. This was the third gathering of the ministers this year. The ministers aligned their views on the Indo-Pacific and the Middle East, opposed unilateral changes to the status quo by force or coercion, and voiced grave concern over economic coercion such as arbitrary export restrictions and overcapacity from non-market practices. They also reaffirmed Quad cooperation on four priority areas (maritime and transnational security, economic prosperity and security, critical and emerging technologies, and humanitarian assistance), welcomed the launch of the Quad Business Leaders' Forum, and issued a joint press release on economic prosperity and security.

- Motegi met with Russian Foreign Minister Sergey Lavrov on the sidelines of the G20 ministerial, the first official meeting between foreign ministers in five years. He made a demarche and an argument regarding various current issues between the two countries. He strongly demanded the immediate release of the detained *Hokkaido Shimbun* reporter.

- Motegi met with U.S. Secretary of State Marco Rubio. They exchanged views on the International Criminal Court and agreed to maintain close communication. He also held sideline bilateral meetings with his counterparts from Saudi Arabia, Australia, and Türkiye.

3. Defense Minister Koizumi Attends ASEAN Defense Ministerial Meeting

- On Thursday, Minister of Defense Koizumi Shinjiro attended the ASEAN Defense Ministers' Meeting Plus (ADMM Plus) in Manila, the Philippines. He proposed three "S's" for the region: "See Clearly" (own surveillance capability, such as Japan's radar transfer to the Philippines), "Sustain Together" (capabilities that work in a crisis, citing the 2022 Tonga cable outage), and "Speak Directly" (reliable crisis communication, backing the ASEAN Direct Communications Infrastructure).

- Chinese Defense Minister Dong Jun skipped the meeting, sending an embassy military attaché in Manila instead. China's Ministry of National Defense protested that the Philippines had used its role as chair to obstruct China's participation. Philippine Defense Secretary Gilbert Teodoro responded that China had been given the chance to state its usual position.

- On Wednesday, Koizumi also participated in the Tenth ASEAN-Japan Defense Ministers' Informal Meeting. He warned that overlapping disasters, conflicts and a shifting military balance are worsening ASEAN's security environment, and pledged Japan's support for ASEAN's unity, centrality and resilience. He proposed updating the ADMM-Plus Experts' Working Groups' priorities — such as AI, unmanned systems and undersea infrastructure) — making cross-group cooperation routine, and engaging outside partners through the existing observer system. ASEAN members welcomed the proposals and praised Japan's past contributions.

- Koizumi participated in the Japan-Australia-Philippines-U.S. defense ministers' meeting. The ministers agreed to advance further defense cooperation, including policy consultations and joint exercises, to support regional peace and stability, with Japan stressing that cooperation with allies and like-minded countries is indispensable as the security environment worsens.

- Koizumi met with U.S. Secretary of War Pete Hegseth on the sidelines of the ministerial meetings. Under "Operation Supercharge," they agreed to share technical

information to increase SM-3 Block IIA production and to establish an AMRAAM final assembly and checkout (FACO) facility in Japan. They also discussed measures to prevent incidents by U.S. Forces Japan personnel after a robbery-murder in Okinawa and reaffirmed the MCAS Futenma relocation to Henoko.

- Koizumi also held bilateral meetings with his counterparts from South Korea, Australia, the Philippines, India, Singapore, and Vietnam. With the Philippines, Koizumi and Teodoro aimed to transfer the first decommissioned Abukuma-class destroyer and one TC-90 aircraft by the end of Japan's FY 2027, backed negotiations on a classified military information agreement, and noted the first use of their ACSA supply agreement. With Australia, Koizumi and Richard Marles confirmed progress on Australia's general purpose frigate program and progress on using Australian test ranges for Japan's hypersonic missile program.

4. Foreign Policy Developments

- On Thursday, Takaichi held a summit telephone meeting with Prime Minister Nyam-Osor Uchral of Mongolia. Takaichi stated that the GOJ takes seriously the scale of damage caused by the grassland fire that occurred on October 8. She stated that Japan intends to provide a package of cooperation that contributes to the recovery of the affected areas.

- On Wednesday, Japan joined participating states in the Multilateral Sanctions Monitoring Team (MSMT) on sanctions against North Korea. The statement notes that the EU, Australia and the United States have implemented sanctions targeting North Korea's use of overseas workers, malicious cyber activities, and actors involved in unlawful cooperation between North Korea and Russia, building on detailed reporting by the MSMT. The states reaffirmed their commitment to the complete, verifiable and irreversible denuclearization of North Korea.

- On Tuesday, Takaichi held a summit meeting with Prime Minister Tarique Rahman of Bangladesh. Takaichi stated that upcoming private investment by businesses is projected to amount up to ¥1 trillion over the next five years, with an expected 200,000 jobs to be created. She also announced that Japan had decided to provide a patrol vessel to enhance Bangladesh's maritime capabilities as security-contributing official development assistance (ODA).

- On Monday, the Ministry of Foreign Affairs (MOFA) announced that officials from the Embassy of Japan in Russia conducted a consular meeting with the detained *Hokkaido Shimbun* reporter, confirming that he has no health issues. Ambassador Muto Akira met with Deputy Minister for Foreign Affairs Andrey Rudenko the

following day, agreeing to continue communicating with one another with a view to properly managing bilateral relations.

- The Japan Business Federation (*Keidanren*) announced that it would postpone the dispatch of a delegation to China, which had been scheduled for mid-November. According to *Keidanren*, Beijing cited "preparations for a major related event" as the reason. The timing of the next visit has not yet been determined.

5. Security/Defense Developments

- On Thursday, the Ministry of Defense announced that North Korea launched what appears to be ballistic missiles, which landed outside Japan's exclusive economic zone (EEZ). According to the South Korean Joint Chiefs of Staff, more than ten short-range ballistic missiles were launched into the Sea of Japan from the vicinity of Wonsan in North Korea's eastern Gangwon Province.

- *Nikkei* reported that the JSDF will begin using unmanned underwater vehicles to monitor and surveil foreign submarines and other vessels. The MOD will begin research in FY 2027 to enable domestic mass production of models capable of detection and attack. The use of a large number of unmanned vessels will reduce the burden on JSDF personnel and minimize casualties, while strengthening deterrence against China's expanding submarine fleet.

- On Tuesday, the GOJ's expert panel reviewing the three strategic national security documents convened for its fifth meeting. Regarding defense spending, one member stated, "After reviewing government expenditures, we should not rule out tax increases as an option to cover any remaining shortfall." One option being discussed is a corporate tax hike, which is opposed by the business community as it runs counter to calls from the government to increase domestic investments for growth.

- On Monday, Koizumi held a meeting with Minister of Defense Antti Häkkänen of Finland. The two welcomed the signing of the Agreement on the Transfer of Defense Equipment and Technology and confirmed to advance cooperation in this field.

- NHK reported that the GOJ is arranging to provide the Philippines with a coastal surveillance radar system through "official security assistance" (OSA), marking the first time completed defense equipment would be provided under the framework. In FY 2026, the fourth year since OSA's establishment, the GOJ plans to provide assistance to a record high of approximately twelve countries.

- *Yomiuri* reported Sunday that the GOJ plans to formulate the "Defense Industry Infrastructure Strategy" by the end of the year to fundamentally strengthen the domestic defense industry. Key pillars include collaboration between the MOD and

the METI to foster industries that possess dual-use technologies, and the creation of a new independent administrative agency to support the export of defense equipment, including the cultivation of startups to promote technological innovation.

6. Ruling Parties and DPFP Agree on 31-Seat Reduction in Lower House

- On Thursday, the ruling Liberal Democratic Party (LDP) and the Japan Innovation Party (*Nippon Ishin no Kai*) formally agreed with the Democratic Party for the People (DPFP) to pursue a thirty-one seat reduction in the House, adjusting the initial proposal to cut seats by forty-five in proportional representation to reflect the estimated 6.7 percent decrease in the population by 2030.

- Under the agreement, the seat allocation method for proportional representation will be changed from the current D'Hondt method to a modified Sant-Laguë method, which makes it easier for small and medium-sized parties to win seats. In addition to merging the Chugoku and Shikoku blocks, the minimum vote share required in single-member districts for a candidate to be re-elected through proportional representation will be raised from "one-tenth" to "one-sixth" of total valid votes.

- If there are not enough candidates listed on a proportional representation ballot, the seat will be designated as "vacant" to prevent it from being transferred to another party. Measures will also be taken to lower the amount of the forfeited deposit to make it easier to add candidates to the ballot. The "unified ballot system," which allows multiple political parties to consolidate their lists of officially endorsed candidates for proportional representation, will also be made possible.

- DPFP Vice President Furukawa Motohisa praised the LDP's compromise solution, pointing out that, "The fact that this enables a unified candidate list system is extremely significant. It is a revision well-suited to the current multiparty political landscape. I would like to believe that many of our proposals have been incorporated."

- Under the proposed plan, the LDP's share of seats in the House will increase from 71 to 72 percent. While this is a smaller net gain compared to the forty-five seat reduction proposal, the LDP maintains a huge advantage over other political parties. The LDP loses fourteen seats, while the now-defunct Centrist Reform Alliance loses twelve, and other parties lose between three to six seats.

- While some within the ruling parties wanted to stick to the original plan, the compromise was made to ensure enactment of the bill in a situation where the ruling parties lack a Senate majority. The DPFP, on its part, also remained flexible despite proposing a nineteen-seat reduction plan.

7. Key Political Developments

- On Friday, the LDP and Constitutional Democratic Party (CDP) agreed to set up a special committee in the Senate to discuss the consumption tax cut bill. The opposition parties get twenty seats as opposed to nineteen for the ruling parties, meaning they can veto the bill if united. Meanwhile, the GOJ presented a preliminary proposal for the new income-tied benefits program set to begin in FY 2027, under which recipients with an annual income of ¥1.19 million or less would receive approximately ¥5,000 in FY 2027 and 2028. The GOJ also revealed projections showing that the benefit amount would increase for those with annual incomes of up to ¥1.6 million.

- Legislation related to the "second capital initiative," which aims to provide a backup for capital functions in the event of a large-scale disaster, took effect. The GOJ plans to adopt a basic policy defining the functions of a second capital through a Cabinet decision by October 2027. Four prefectures — Hokkaido, Aichi, Osaka and Fukuoka — fit the bill, while Hiroshima and Gunma were left out of the mix.

- The House Steering Committee decided to establish an expert panel to discuss fundamental electoral system reform. The panel will compile recommendations within a year on issues such as a mixed-member system combining single-member districts and proportional representation, a medium-sized district system, and a fully proportional representation system from a "neutral and expert perspective."

- On Thursday, Takaichi announced plans to subsidize utility bills from December 2026-February 2027 as a measure to ease the financial burden amid the escalating tensions in the Middle East. She stated that this is expected to reduce the burden on a typical household by around ¥7,000. She also indicated plans to gradually raise the benchmark gasoline price, currently set at about ¥170 per liter, by about ¥5 per month starting in December. The GOJ subsequently decided to allocate ¥1.15 trillion from the FY 2026 reserve fund for the gasoline subsidies.

- The House Commission on the Constitution discussed the Public Relations Council, which is responsible for public outreach regarding a referendum on constitutional amendments. The details are left to regulations established by the speakers of the House and Senate; these regulations have not been finalized due to the standoff between ruling and opposition parties on constitutional amendments. Once the regulations are finalized, the framework for amending the Constitution will be in place, at least in principle. There were differing views among the political parties regarding the appropriate approach to online public relations.

- On Monday, the GOJ presented its approach to an anti-espionage act to the expert panel discussing intelligence reform. The GOJ argued that a system requiring

individuals acting on behalf of foreign governments to register with the GOJ — in order to ensure transparency in their activities — is necessary, as are penalties targeting malicious acts of foreign interference. The GOJ aims to submit legislation to the ordinary Diet session next year.

8. GMO Breach Shows Japan Facing Cyber Crisis

- About 260 million personal-information records leaked between April 1-October 16, with 830 incident reports by October 16 against a prior monthly peak of just over three hundred. The GOJ suspects high-performance AI is enabling large-scale simultaneous intrusions, and detected website attacks reached about 450 million in September, up 36 percent from August.

- Attackers breached a GMO cloud service used for automated FX trading, causing confirmed customer losses at five FX firms, and published one person's data on October 27 after GMO refused their $1 million ransom demand. GMO has since given police information it believes can identify the attacker, and the Tokyo Metropolitan Police have opened an investigation.

- The root causes were governance and architecture. GMO's own security subsidiary flagged the vulnerability in April 2024, but fixing it meant overhauling a service that runs all day, and that was not done. Palo Alto Networks research found 99 percent of breached cloud services had over-privileged administrator IDs, which turns centralized data into a single point of failure.

- The threat is spreading beyond financial services. Email-delivery provider Yumelink reported 51.62 million records leaked, and rail operators including Tokyo Metro have also suffered unauthorized access. With many attacks now hitting small and medium-sized enterprises, a senior GOJ official urged companies to start with basics such as software updates.

- The GOJ is mobilizing a whole-of-government response that will reach private operations. After the first cyber ministerial meeting on October 26, the GOJ launched a consolidated cyber response website. It is also pressing U.S. AI developers for more models to scan critical systems for vulnerabilities, with an emergency countermeasures package expected as early as next week. The GOJ has also asked telecom carriers to block sites hosting the GMO-related data, an unusual step that raises constitutional privacy concerns.

- Government "active cyber defense" is not a safety net for individual companies. The law took effect October 1 but has no mechanism for company requests. GOJ officials judged the GMO case had not yet warranted invoking it, and the GOJ says it will not

disclose when it acts. Experts call the hurdle high, and the power to collect communications data without company consent does not start until fall 2027.

9. Economic Security and Tech Developments

- On Friday, the Ministry of Internal Affairs and Communications (MIC) began discussions on revising its guidelines for AI businesses, working with the METI toward a revised version by late March 2027. The update would reflect growing interest in autonomous AI agents and physical AI such as robot control, with more content on risks like unexpected runaway behavior, including response policies and examples of domestic and international trends and governance practices.

- *Nikkei* reported Thursday that Nippon Export and Investment Insurance (NEXI) has for the first time underwritten "advance-payment purchase insurance" for a third-country deal supporting Ukraine's reconstruction, covering losses if prepaid money is not returned. In the deal, worth several billion yen, a Japanese trading company that is not named is buying transformers from a Turkish firm for a Ukrainian power transmission operator. NEXI hopes this will eventually lead to deliveries of Japanese-made products and help Japanese companies capture reconstruction demand.

- On Tuesday, the LDP's Headquarters for the Promotion of Economic Security confirmed that it will compile recommendations to the GOJ this year, centered on data protection and building sustainable capabilities such as a rare earth supply chain. Chairperson Ohno Keitaro cited the discovery of a vulnerability in the PHP programming language as evidence of a serious situation in the data space. The LDP aims to lead discussions on amending the Economic Security Promotion Act, which the GOJ plans to submit to the ordinary Diet session next year, and on creating a certification system for data center and cloud providers.

- *Nikkei* reported Monday that the GOJ started discussing tougher AI safety rules, aiming to submit an amendment to the AI Promotion Act as early as the 2027 Diet session. The amendment would let the GOJ quickly collect information from AI developers, including foreign firms like OpenAI and Anthropic, after serious incidents, with penalties for those who refuse to cooperate, and would strengthen the AI Safety Institute and its evaluation of frontier models.

- The Cabinet Office (CAO) began applying a voluntary "Principle Code" that encourages generative AI businesses to protect intellectual property rights and be transparent. It centers around three pillars: disclosing an overview of training methods and data types, and answering inquiries from rights holders pursuing legal action and from AI users. The code is non-binding, but the CAO will publish a list of businesses

that accept it and a link to a webpage showing each company's status. The content of the principle code will be reviewed as needed.

- Sakana AI announced that it will build its own foundation model from scratch, releasing a small version in spring 2027, to cut dependence on U.S. and Chinese models and serve defense and cyber defense uses. Meanwhile, *Nikkei* reported that, after a six-month evaluation, the Japan Research Institute will use Preferred Networks' Japanese-optimized PLaMo 3.0 Prime on-premises for financial system development and operations, expecting better quality, speed and cost than overseas AI models.

10. Key Economic/Financial Developments

- On Friday, the Bank of Japan (BOJ) declared underlying inflation "broadly consistent" with its 2 percent target, achieved thirteen years after the target was introduced, while holding its policy rate at 1.25 percent. It also decided to speed up sales of its ETF holdings from about ¥330 billion to about ¥860 billion a year (at book value). With board member Takata Hajime proposing a hike to 1.5 percent and Governor Ueda Kazuo leaning toward further tightening, the yen strengthened from around ¥157.5 to as high as the ¥156 range per dollar.

- The METI announced the first selected projects under its GX Regional Co-creation Subsidy, which funds capital investments by companies that use decarbonized power and contribute to the regions generating it, picking seven manufacturing projects and four data center projects. The subsidy, which has been allocated ¥210 billion over five years, aims to build new industrial clusters around decarbonized power, and will open a second call for applications in November 2026. Meanwhile, the GOJ selected Okinawa for a healthcare/biotech industrial cluster under the "Regional Future Strategy," which targets ¥36.6 billion in public-private investment in a decade.

- On Thursday, the GOJ held the first meeting of a new public-private forum formed to boost funding for the seventeen growth sectors and to support corporate restructuring. A central pillar is the "two-step loan" scheme, in which long-term, low-interest GOJ funds flow through the Japan Finance Corporation to private banks to support lending on large projects. The tool was previously limited mostly to use during disasters and for GOJ-backed lenders.

- On Wednesday, the GOJ held its first vice-ministerial meeting to draft a comprehensive population strategy responding to Japan's declining population. The strategy will focus on reversing the falling birth rate, sustaining economic vitality amid labor scarcity, building lifelong social security, and creating sustainable regional

communities, with a study of AI's impact on employment and an expert panel planned for November 6 before the strategy is compiled by year-end.

- On Tuesday, the Cabinet enacted a Cabinet order levying anti-dumping duties of 3.6 percent to 42.1 percent on nickel-added cold-rolled stainless steel imported from China and Taiwan, the same rates as the provisional duties in place since July 9. The duties will run for five years from October 31, 2026 to October 30, 2031, following an investigation launched in July 2025 that found dumped imports were materially injuring Japan's domestic industry.

- *Nikkei* reported Monday that the METI is considering expanding its "two-step loan" scheme, with the GOJ covering a set share of losses on defaulted loans (the share is still to be decided), funded by long-term, low-interest GOJ loans. The METI plans to begin operating the system in FY 2027 after the necessary legal amendments, in support of the GOJ's ¥370 trillion public-private investment target through FY 2040.

11. State of the Economy

- On Friday, the Ministry of Health, Labor and Welfare (MHLW) announced that the effective jobs-to-applicants ratio in September rose 0.01 points to 1.19, the first increase in three months, while the unemployment rate announced by the MIC fell 0.1 points to 2.4 percent. The ratio was lifted partly by fewer people visiting job centers during bad weather and by a surge in semiconductor-related openings (new manufacturing openings up 8.2 percent), though overall new job openings fell 0.4 percent from a year earlier for a third straight month.

- The National Tax Agency announced that corporate declared income for FY 2025 rose 16.2 percent to ¥118.9 trillion, exceeding the record high for a fifth straight year, with corporate tax hitting ¥21.99 trillion (up 17.5 percent) and topping the bubble-era peak for the second year running. Every industry posted gains, led by manufacturing at ¥33.4 trillion and the "other industries" group (including banking and real estate) at ¥31.1 trillion, which saw the biggest increase in both amount and percentage.

- The METI announced that crude oil imports in September fell 17.7 percent from a year earlier to 9.25 million kiloliters, the first decline in four months, as Middle East tankers avoided the unstable Strait of Hormuz and attack-prone Red Sea waters and arrived late taking a detour around the Cape of Good Hope. The shortfall was covered by releasing stockpiled oil; domestic supply was unaffected and imports are expected to recover from October onward.

- On Tuesday, the GOJ released the Monthly Economic Report for October, which maintained the assessment that the economy is "recovering at a moderate pace, while attention should be given to the effects caused from the situation in the Middle East."

The assessment of corporate profits was changed for the first time in thirty-four months to "improving, while attention should be given to the effects caused from the situation in the Middle East."

- The BOJ announced that the services producer price index (SPPI) in September rose 3.7 percent from a year earlier to 115.5, up from 3.5 percent in August, as fuel costs surged on higher crude oil prices tied to the U.S.-Iran conflict. Meanwhile, ocean cargo transport jumped a record 97.7 percent, international air cargo rose 33.5 percent on higher fuel surcharges, and lodging prices rose 9.7 percent on holiday travel demand, with 116 of the 146 items surveyed posting price increases.

II. Public Opinion Poll

- A *Nikkei* poll released on Monday found that the Takaichi Cabinet's approval rating was 62 percent, the same as September, while disapproval fell two points to 31 percent.
    - 48 percent of respondents said that they would like the prime minister to focus on inflation relief measures; 37 percent said pensions/healthcare/elderly care; and 29 percent said economic growth.
    - 57 percent of respondents said that they support the GOJ's consumption tax cut bill, while 36 percent said they oppose it.
    - 54 percent of respondents said that they believe a consumption tax cut would be most effective as an inflation relief measure, while 33 percent said they believe cash handouts would be most effective.
    - 41 percent of respondents said that they believe the benefits program for low- and middle-income earners starting in FY 2029 should apply to all individuals with annual incomes below ¥3 million; 26 percent said below ¥5 million; 17 percent said there is no need for such a program; and 10 percent said below ¥8 million.
    - 47 percent of respondents said that they disapprove of the GOJ's inflation response so far, while 45 percent said they approve.
    - 48 percent of respondents said that they believe Takaichi's response to ex-MAFF Minister Yana Kazuo's scandals resulting in his resignation was problematic, while 43 percent said they do not believe it was problematic.
    - 70 percent of respondents said that they believe the GOJ should expand its involvement in private sector responses to the uptick in cyber attacks, while 20 percent said they do not believe the GOJ should expand its involvement.
    - 55 percent of respondents said that they believe the GOJ should look to increase opportunities for dialogue with China, while 39 percent said they believe the GOJ should stick to its current approach.
- The survey also collected data on the latest approval ratings of political parties.

Political Party	**Approval Rating (%)**
Liberal Democratic Party	39 (-2)
Japan Innovation Party	3 (-1)
Democratic Reform Party	N/A (-1; for CRA)
Democratic Party for the People	7 (+3)
Suffrage Party (Sanseitō)	4 (-1)
Team Mirai	3 (+1)
Japan Communist Party	3 (-1)
Reiwa Shinsengumi	N/A (-)
Japan Conservative Party	2 (±0)
Social Democratic Party	N/A (-)
Constitutional Democratic Party	5 (+1)
Komeito	1 (-1)
Independent (No Party)	28 (+4)