

The Weekly Observer

November 2-6

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

Consumption Tax Cut Bill Passes the House

On November 6, the **House of Representatives passed a bill cutting the food consumption tax from 8 to 1 percent for two years from April 2027,** with support payments to follow.

The ruling Liberal Democratic Party and Japan Innovation Party (*Nippon Ishin no Kai*) backed it, while **all opposition parties opposed it**. The ruling parties aim to enact it by the Diet session's end on December 12.

The ruling bloc is **four seats short of a Senate majority** and is courting the **Democratic Party for the People and Komeito**. A **united opposition could defeat the bill** in the Senate's special committee. **Prime Minister Takaichi Sanae pledged to cover at least 30 percent of workers,** but opposition parties criticize unspecified funding.

Four LDP lawmakers, including **ex-Prime Minister Ishiba Shigeru**, left the chamber before the vote and were asked to explain in writing.

GOJ Issues Emergency Cyber Response as Data Breaches Mount

On November 6, the GOJ adopted an **emergency cybersecurity package** built on AI-aided basic measures, information gathering, stronger investigation and analysis, and victim support, and released **¥10 billion** from reserve funds. Takaichi ordered a **review of the Active Cyber Defense Act,** including **monitoring domestic communications**, and demanded attack reports within hours.

The GOJ also plans to **obtain undisclosed vulnerability information** from major U.S. tech firms, and the **National Cybersecurity Office** urged companies to run continuous AI-assisted vulnerability scans. Experts warn the **current system cannot keep pace with AI-driven attacks.**

The **Financial Services Agency** (FSA) began **emergency checks of about 400 credit unions and cooperatives**, while thirteen regional banks formed a joint cyber team.

THIS WEEK IN NUMBERS

Cabinet Approval



65% (+2 pts.)

33% (-1 pt.)

JNN (November 2)

State of the Economy

Tax Revenue (April-Sept.):
¥23.78 trillion (+12.2% year-on-year)

Annual revenue could top ¥90 trillion for the first time

Income tax revenue up 17.1%, corporate tax by 30.9%, and consumption tax by 13%

Wage Statistics (Sept.):
Real wages rose 2.2% year-on-year (9th straight monthly increase)

Nominal pay averaged ¥311,409 (+4.6%)
Fastest growth in 29 years, 8 months

Base pay rose 3.7%