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★ GLOBAL HAWK LOST OFF TOTTORI ★ LAND PRICES UP A FIFTH YEAR ★ FOMC DECIDES TODAY ★

Japan Self-Defense Forces Global Hawk Drone Crashes Off Tottori

The unmanned reconnaissance aircraft went silent over international waters about 50 kilometres north of the prefecture. Floating wreckage was found nearby and a crash is presumed. What was lost, why the fleet was so small, and why replacing it is harder than it sounds

By William | Senior Political Analyst, with Maya Suzuki | Science & Innovation Desk

Northrop Grumman RQ-4B Global Hawk. Photo: U.S. Air Force

A Japan Air Self-Defense Force RQ-4B Global Hawk, the largest unmanned reconnaissance aircraft in the service's inventory, lost communication over international waters roughly 50 kilometres north of Tottori Prefecture, and floating debris believed to be part of the aircraft was subsequently found nearby. A crash is presumed, according to front-page reporting in Yomiuri Shimbun and accounts carried by Mainichi Shimbun and Sankei Shimbun.

No one was aboard, because no one is ever aboard. That is the first thing to say about an aircraft whose entire design premise is that the crew sit in a ground station hundreds or thousands of kilometres away. The loss carries no casualties. It carries a capability cost, an investigation, and a set of questions about a programme that was small, expensive and contested from the day Japan chose it.

The aircraft itself is worth describing plainly. The Global Hawk is built by Northrop Grumman and has a wingspan of roughly 40 metres, wider than a Boeing 737. It flies at altitudes around 18,000 metres, well above commercial traffic and most weather, and it can stay there for more than 30 hours on a single sortie. It carries no weapons. Its payload is sensors: a synthetic aperture radar that produces imagery through cloud and darkness, electro-optical and infrared cameras, and signals collection equipment that detects and locates radar and communications emissions across a wide area.

Persistence is the word that captures what those specifications add up to. A manned patrol aircraft samples a piece of ocean and goes home when its crew and fuel require it. A Global Hawk watches the same piece of ocean for a day and a half, which is the difference between photographing a situation and understanding it. Detecting that something has changed requires having watched long enough to know what normal looked like.

Japan operates a fleet of three. Losing one is therefore not a reduction of one aircraft but of a third of the capability, and in practice more than that, since maintenance cycles mean a fleet of three rarely has three available. Two aircraft, one of which may be in scheduled maintenance at any given time, is a capability with very little margin.

The location is the second thing worth stating plainly. The waters north of Tottori face the Sea of Japan, which the Self-Defense Forces monitor continuously for North Korean missile activity, Russian naval and air movement, and Chinese vessels transiting the straits at either end. It is the body of water over which a persistent surveillance platform is most obviously useful, and it is where one has now gone into the sea.

International waters also means the debris field lies outside Japanese territorial jurisdiction. Recovery of floating wreckage is straightforward. Recovery of what matters to an investigation, the flight control systems, the recorded data and the sensor payload, is not, because those components are dense and sink. Equipment of this sensitivity is of interest to more than one government, and where it lies and who reaches it first are questions the Defense Ministry has not addressed publicly.

The Defense Ministry has not stated a cause, and it would be unusual to do so this early. Unmanned aircraft are lost to mechanical failure, to weather, to interruption of the control link between aircraft and ground station, and occasionally to operator error. Distinguishing among those requires the flight data that recovery may or may not produce. Deliberate interference is the possibility that will be asked about, and the honest position is that nothing in the available reporting supports it. Loss of communication followed by a crash is consistent with a great many causes, most of them mundane.

How Japan came to own three of these aircraft is a story that explains why replacing one is so difficult. The decision was taken in the mid-2010s, when the regional security picture was deteriorating faster than the planning assumptions of the previous decade had allowed for. North Korean missile testing was accelerating. Chinese air and naval activity around the southwestern islands was increasing in frequency and reach. Russian activity in northern waters had not diminished. Each required watching, and the manned fleet could not watch all of them continuously.

The Global Hawk was chosen because it was proven, because the United States operated it, and because buying it through the foreign military sales process avoided the development risk of a domestic programme. The sale notified to the American Congress in 2015 covered three aircraft, ground stations and support, and was valued at roughly 1.2 billion dollars. It was among the more expensive single acquisitions in Japan's defence programme of that period.

The programme very nearly did not survive its own cost. By 2018 the unit price had risen substantially from the original estimate, and the Defense Ministry conducted a review that considered cancellation. The decision to proceed was justified on the grounds that no alternative offered comparable persistence and that the surveillance gap the aircraft were meant to fill had, if anything, widened. That reasoning was sound at the time and remains sound now, which is precisely why the loss of one aircraft matters.

Delivery came later than planned. The first aircraft reached Misawa Air Base in Aomori Prefecture in 2022, with the unit formed to operate them standing up around it, and the fleet reached its full strength of three over the period that followed. Operations from Misawa give coverage of both the Sea of Japan and the Pacific approaches, with transit times a shorter-ranged platform could not sustain. The aircraft had been in service, in other words, for a comparatively short period when one of them was lost this week.

The variant Japan bought is the Block 30. That detail matters more than it sounds. The United States Air Force, which operated the largest Global Hawk fleet, retired its own Block 30 aircraft in the early 2020s, judging them too vulnerable in contested airspace and too expensive to sustain relative to alternatives. Production of the type has ended. Japan and South Korea, which operates four of the same variant, are now flying an aircraft that its original operator has divested.

That has two consequences. The first is sustainment. Spare parts, depot maintenance and software support for an out-of-production aircraft depend on a supply chain that no longer has a large customer anchoring it, which raises cost and lengthens lead times for every operator still flying. The second is replacement. A fleet drawn from a closed production line cannot be topped up by ordering another. Restoring the lost

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TODAY'S INDEX

WEATHER — TOKYO

23°C

Low 19°C · Heavy rain, thunder

Thu	Fri	Sat	Sun
24°	25°	25°	25°

Autumn front stalled south of Japan. Heavy rain on the Pacific side from Kyushu to southern Tohoku. Possible typhoon over Silver Week. Full forecast, Page 13.

TODAY IN BRIEF

- Cabinet approves food consumption tax cut to 1% for two years; roughly 5 trillion yen a year unfunded.
- Kajiyama named LDP General Council chairman; cabinet reshuffle tomorrow.
- Land prices rise 1.5% nationally, a fifth year; Tokyo up 7.9% across all uses.
- Long-term yields touch 3.035%, highest since 1996; US 10-year briefly 5.04%.
- Centenarians pass 100,000 for the first time: 107,677, a 56th consecutive rise.
- Onosato, Aonishiki and Kotozakura unbeaten after three days; Kirishima loses to Takayasu.

SUBSCRIBE

PUBLISHING INFORMATION

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MARKETS

Nikkei 225	63,484.10 ▼ 8.89
TOPIX	4,037.16 ▼ 0.52%
JGB 10-yr	3.035%
US 10-yr	5.04%
USD/JPY	154.8–155
WTI crude	above $100

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Japan Self-Defense Forces Global Hawk Drone Crashes Off Tottori

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capability means the second-hand market, which for aircraft of this kind is thin and politically complicated, or a different platform entirely.

The different-platform option has its own history. Germany cancelled its Euro Hawk variant in 2013 over certification difficulties, having spent heavily on it. The United States Navy operates a maritime derivative, the MQ-4C Triton, which remains in production and which several allied navies have acquired or considered. Whether Japan would look in that direction, at other unmanned systems, or at expanding satellite coverage is a decision that will be shaped by the budget argument now underway.

That argument has become considerably sharper this week. Reports of a defence spending target of 3.5% of gross domestic product contributed to bond selling that pushed long-term yields to their highest level in roughly three decades, and the cabinet approved a consumption tax cut costing about 5 trillion yen a year with no identified funding source. An aircraft going into the sea is an uncomfortable illustration of what capability actually costs, how quickly it can be reduced, and how slowly it is restored.

Japan's broader surveillance architecture partially compensates, and it is worth being clear about how. Maritime patrol aircraft, the P-1 and the older P-3C, carry the largest share of the work and operate in numbers the unmanned fleet never approached. Airborne early warning aircraft watch for air activity. Ground-based radar covers defined sectors continuously. Information-gathering satellites supply imagery whose timing is governed by orbital mechanics. Allied forces operate their own assets in the region and share under the alliance arrangements. None of those replicates persistence over a specific area for a day and a half.

Dependence on allied sharing is exactly what Japan's own acquisition was intended to reduce, giving Tokyo an independent picture rather than one received. Two remaining aircraft still provide that, on a thinner margin than the programme was designed for.

The weather deserves mention without overstatement. The autumn rain front is stalled south of the archipelago and the atmosphere across much of the country has been unstable this week. High-altitude platforms operate above most weather systems, but they must climb through it and descend through it, and investigators will examine conditions along the flight path as a matter of routine.

Search operations in the area are expected to continue, with recovery of further wreckage the principal route to establishing cause. Japan operates salvage capability through both the Maritime Self-Defense Force and the Coast Guard, and which organisation leads depends on location and on the nature of what is being sought. American assistance is available under alliance arrangements, and Washington has its own interest in the recovery of equipment of this type.

The Defense Ministry publishes findings from accident investigations, though the timeline for doing so in cases involving classified systems has historically been extended. Whether the cause proves specific to one aircraft or indicates something requiring attention across the remaining two will determine whether the fleet continues operating in the interim or stands down while the question is resolved.

For the public the loss will register mostly as a headline and a photograph. For the people responsible for watching the Sea of Japan it registers as a hole in the schedule that the manned fleet will be asked to fill, sortie by sortie, for as long as it takes to decide what replaces what was lost.

Tomorrow's cabinet reshuffle determines who holds the defence portfolio when those decisions arrive. The extraordinary Diet session that follows will take up the spending trajectory those decisions depend on. The aircraft that went into the sea off Tottori this week is, in that sense, the first item on the new minister's desk before the desk has been assigned.

FROM PAGE 1

Cabinet Approves Food Tax Cut to 1% With ¥5 Trillion Funding Still Unnamed

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The Cabinet approved a tax reform outline lowering the consumption tax on food products to 1% for two years from April next year, alongside an income-linked benefit system, according to Asahi Shimbun and Yomiuri Shimbun. The roughly 5 trillion yen a year the package will cost has no identified funding source, and the question now heads to parliamentary deliberation.

That gap is the story. A cabinet decision establishes the government's intent and commits it to legislation; it does not, in this case, establish how the revenue will be replaced.

Consumption tax revenue is among the largest single contributors to the general account, and food represents a substantial share of the taxed base. Removing seven points from that share for two years is not a rounding error in the budget.

The income-linked benefit system attached to the package is the element that distinguishes it from a straightforward rate cut. Benefits that scale with income direct relief toward lower-earning households in a way an across-the-board reduction does not.

Design details of that benefit have not been published in the reporting available, and they will determine a good deal about who gains most and how quickly the money arrives.

The two-year limit performs the same function it does in every temporary tax measure: it makes the package legislatable without requiring a permanent answer to the revenue question, and it hands the decision about renewal to a future government.

Opposition parties now face the position the outline puts them in. Voting against a food tax cut is difficult to explain to households; voting for it without a funding source endorses exactly the fiscal looseness they have criticised.

Bond markets have already registered the fiscal picture. Domestic long-term rates touched 3.035% this week, the highest in roughly three decades, with reports of a 3.5% defence spending target contributing alongside the tax measure to the selling.

Diet deliberation is where the funding question will be pressed, and the government's answer, when it comes, will determine whether the measure passes as approved or in modified form.

April 2027 remains the start date, which leaves more than eighteen months before households see anything at the register and ample time for the argument to develop.

Cabinet approval of a tax outline is a procedural step with political weight rather than legal force. The document commits the government to introducing legislation and establishes the parameters that legislation will follow.

The Liberal Democratic Party and the Japan Innovation Party had both approved the plan through their own internal processes before it reached cabinet, which is the sequence coalition legislation typically follows.

That prior approval means the coalition's own members are committed to defending a measure whose funding gap they will be asked about repeatedly in committee.

Tax reform outlines are ordinarily produced in December for the following fiscal year, and the timing of this one outside that cycle reflects the political urgency attached to cost-of-living pressure.

FROM PAGE 1

Kajiyama Named LDP General Council Chairman as Reshuffle Nears

Continued from Page 1

Hiroshi Kajiyama has been appointed General Council Chairman of the Liberal Democratic Party, while Yasutoshi Nishimura retains the chairmanship of the Election Strategy Committee, according to Yomiuri Shimbun's front page. The Prime Minister has announced that the cabinet reshuffle will follow tomorrow.

Party executive appointments and cabinet appointments are distinct exercises that happen in sequence, and the order is not accidental. Securing the party posts first establishes the internal balance against which cabinet seats are then distributed.

The General Council is the body that formally endorses party policy before it proceeds to the Diet, which makes its chairmanship a position of genuine procedural weight rather than a ceremonial one.

Kajiyama brings a background in the party's economic and industrial policy machinery, and the appointment places someone with that grounding at the point where policy receives its internal sign-off.

Nishimura's retention at the Election Strategy Committee carries its own signal. Election strategy chairmanships are typically stabilised when a party expects to fight a campaign within the term, or at minimum wants continuity in candidate selection and constituency organisation.

The pairing suggests a leadership concerned to settle the party's internal machinery before adding a coalition partner to the cabinet, a sequence that gives the reshuffle a firmer base than the reverse order would.

Factional considerations have historically driven these appointments, though the weakening of formal factions following recent funding controversies has altered the arithmetic without removing it.

Tomorrow's reshuffle is expected to give the Japan Innovation Party its first cabinet post, which makes the internal party settlement announced today the last piece of preparation before the coalition's composition changes.

Committee chairmanships within the party also shape which members gain the visibility that leads to future cabinet consideration, a slower process than the reshuffle but one the same appointments influence.

Announcements of cabinet-level appointments are conventionally withheld until the formal attestation, however thoroughly they have been reported in advance, and the government has kept to that convention.

The party's three senior posts below the presidency are the secretary-general, the General Council chairman and the Policy Research Council chairman, and the balance among them signals how a leadership intends to govern.

The General Council's endorsement is required before party policy proceeds to the Diet, which gives its chairman a procedural veto that is rarely exercised and always present.

Election Strategy Committee work extends beyond campaigns into candidate recruitment and constituency organisation, which is why continuity in the post carries weight beyond any imminent election.

FROM PAGE 1

Land Prices Rise a Fifth Year, With Tokyo Up 7.9% Across All Uses

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Standard land prices as of July 1 rose 1.5% nationwide across all uses, a fifth consecutive year of increases, according to the Ministry of Land, Infrastructure, Transport and Tourism announcement reported by Asahi Shimbun, Yomiuri Shimbun and Reuters. Residential land gained 1.0% and commercial land 2.9%.

Tokyo's figures sit well clear of the national picture. The capital recorded a 7.9% rise across all uses, its fourteenth consecutive year of growth, with the Tokyo and Osaka metropolitan areas leading the national average upward.

A fourteen-year run in Tokyo is worth pausing on. It means a generation of buyers has now entered the market having never experienced a sustained fall in metropolitan land values, which is a novel condition in a country whose property memory was formed by the collapse of the late 1980s bubble.

The gap between the 1.5% national average and Tokyo's 7.9% is the story the headline number conceals. National averages in a country with Japan's demographic distribution describe a mathematical middle that increasingly corresponds to nowhere in particular.

Commercial land outpacing residential by nearly three to one reflects the demand sources that have driven this cycle: office requirements in the metropolitan cores, and the hotel and retail sites supported by inbound tourism running at sustained volume.

Furano in Hokkaido was among the top gainers nationally, which points to the other engine of regional appreciation. Resort destinations drawing international visitors and international buyers have seen land values move in ways that have nothing to do with local demographics.

That divergence has a policy dimension that has drawn periodic attention, since areas transformed by foreign investment face housing costs disconnected from local wages.

At the other end of the distribution, areas experiencing the steepest population decline continue to record falling values, with the vacant housing problem the visible consequence of land whose market price barely supports the cost of transacting it.

Standard land prices serve as reference points rather than transaction prices, feeding into inheritance and gift tax assessments, compensation calculations and the expectations buyers and sellers bring to negotiation.

That administrative role gives the figures direct financial consequence for households transferring property between generations, a matter of increasing weight as the population ages.

This year's release lands two days before a Bank of Japan decision at which markets have almost fully priced an increase, and financing costs bear directly on whether the appreciation the data records proves durable.

Long-term rates have already moved sharply, with domestic yields touching 3.035% this week, and mortgage pricing follows those rates with a lag.

The data describe the market as of July 1, which is to say before the most recent leg of the rate move, a timing qualification worth carrying into any reading of what the figures predict.

Prefectural governments prepare the standard land price assessments, with licensed appraisers evaluating designated sites using comparable sales, income methods and replacement cost.

That process produces appraised values rather than transaction prices, and the gap between the two is itself something analysts monitor for signs that assessments are lagging the market.

Osaka's contribution to the metropolitan gains reflects a city that has drawn both domestic investment and international visitor volume, with commercial districts recording their own sustained appreciation.

Regional cities with semiconductor investment have seen land values move well before facilities produce anything, as anticipated employment and supplier activity are priced in ahead of arrival.

POLITICS

Upper House Secretary-General to Be Replaced Amid Reported Rift

Kazuhiko Aoki is expected to succeed Junichi Ishii, with parliamentary affairs cited as the background

By Michael Hayes | Deputy Editor, Politics & Policy

Junichi Ishii, Secretary-General of the Liberal Democratic Party in the House of Councillors, is to be replaced, with Kazuhiko Aoki expected to succeed him. Reports carried by Asahi Shimbun and Yomiuri Shimbun attribute the change to a rift with the Prime Minister over parliamentary affairs.

The upper house secretary-general is one of the less visible posts in Japanese politics and one of the more consequential. The holder manages the party's business in a chamber that can delay legislation the lower house has passed.

Parliamentary affairs, the stated background to the rift, covers the scheduling and floor management through which a government's legislative programme either proceeds or stalls. Disagreements in that area are rarely about principle and frequently about control.

The timing places the change immediately before an extraordinary session that will take up a consumption tax measure with an unresolved funding question, which is exactly the kind of legislation that tests a chamber's cooperation.

The House of Councillors has its own institutional culture and a leadership that has periodically asserted independence from the party's lower house command, a dynamic that has produced friction under several administrations.

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Aoki's expected succession suggests the leadership has chosen continuity of approach with a change of personality rather than a change of direction, though the reporting does not detail his own position on the disputed matters.

Removing a chamber secretary-general shortly before a difficult session carries risk, since the incoming holder must establish working relationships with opposition counterparts under time pressure.

The upper house's role in the coming session will be material given the coalition's arithmetic and the scale of the tax package heading toward it.

Neither Ishii nor the Prime Minister's office has commented publicly on the reported rift, and the accounts available rest on party sources rather than on statements from the principals.

The change forms part of a broader personnel settlement that includes today's party executive appointments and tomorrow's cabinet reshuffle.

POLITICS

Constitutional Democrats' New Vehicle Named Democratic Reform Association

By William | Senior Political Analyst

The new party affiliated with the Constitutional Democratic Party will be called the Democratic Reform Association, according to Yomiuri Shimbun, though the name is described as largely provisional and further opposition realignment is under consideration.

A provisional name is an unusual thing to announce. It signals that the reorganisation has progressed far enough to require a label while the shape of the eventual vehicle remains unsettled.

Japan's opposition has restructured repeatedly since the Democratic Party of Japan's period in government ended, producing a sequence of mergers, splits and renamings that has made continuity of identity difficult for voters to track.

The practical cost of that churn falls on constituency organisation, since the local machinery that wins seats is built over years and does not transfer cleanly between vehicles.

Naming a party the Democratic Reform Association places it in a long line of Japanese political vehicles whose names emphasise reform, a word that has been claimed by parties across the spectrum with varying specificity about what is to be reformed.

The dissolution of the centrist faction that preceded this announcement is the more consequential development, since factional structure determines candidate selection, funding flows and leadership arithmetic.

Further realignment under consideration implies the current arrangement is a waypoint rather than a destination, which will complicate the opposition's positioning in the Diet session now approaching.

That session will take up a consumption tax cut with an unnamed funding source, which is precisely the kind of measure an opposition with a settled economic position could press hard on.

Whether a reorganised opposition arrives at that argument with a coherent alternative, or with a name and a set of objections, is the question today's cartoon addresses at more length on the editorial page.

The next general election remains the test of any reorganisation, and none of the current arrangements has yet faced one.

POLITICS

Ishin Fills Senior Posts Ahead of Its First Cabinet Seat

By Michael Hayes | Deputy Editor, Politics & Policy

The Japan Innovation Party has appointed Shibata as Secretary-General, Umemura as Policy Research Council Chairman and Kanemura as General Council Chairman, according to Yomiuri Shimbun, completing its senior leadership immediately before the party takes its first cabinet post.

The sequence is deliberate. A party entering government needs its internal machinery settled before its senior figure moves into a cabinet role, since the two jobs cannot be held with equal attention.

The Policy Research Council chairmanship is the post that matters most for a party defining itself by policy. It shapes what the party formally proposes and how it responds to coalition proposals it did not originate.

Ishin's identity has been built on administrative reform, reduced public sector cost and a scepticism toward Tokyo-centred governance, positions that become harder to advance from inside a coalition than from outside it.

The Secretary-General role carries responsibility for party organisation, candidate selection and the relationship with the coalition partner, which will be tested immediately by the reshuffle and the Diet session that follows.

Coalition partners in Japanese governments have consistently faced the same trade, gaining influence over drafting at the cost of the public differentiation that sustains a smaller party's separate identity.

Komeito's long partnership with the Liberal Democratic Party is the reference case, a relationship that delivered durable influence while eroding the distinctiveness the party held before entering government.

Ishin's Osaka base gives it a governing record to point to, which distinguishes it from most of Japan's smaller national parties and gives its reform claims a practical grounding.

The party's approach to the consumption tax package will be watched closely, since it approved the measure before cabinet and now shares responsibility for defending a funding gap it did not create.

Tomorrow's reshuffle will confirm which portfolio the party receives and therefore how much practical scope its cabinet member actually has.

POLITICS

Takaichi Confirms Cooperation With Okinawa's New Governor

By Aiko Tanaka | Senior Japan Correspondent, Tokyo Bureau

Prime Minister Sanae Takaichi has confirmed that the government will cooperate with newly elected Okinawa Governor Genta Koja, with dialogue between Tokyo and the prefecture to be resumed gradually, according to Yomiuri Shimbun.

Gradually is the word carrying the weight. Twelve years of adversarial dealings between the central government and the prefecture do not reverse in a single announcement, and both sides have institutional habits to unlearn.

The formal channels between Tokyo and Naha never closed entirely during the previous administration, but they operated alongside litigation, contested permits and public disagreement that made routine coordination difficult.

Koja's acceptance of the Henoko relocation removes the central point of friction, which is what makes a resumption of normal dialogue possible rather than merely desirable.

The Okinawa development budget, reported as being adjusted upward beyond 300 billion yen, is the most tangible early expression of the changed relationship and the one critics will scrutinise most closely.

Practical matters awaiting coordination extend well beyond the base question, covering infrastructure, tourism promotion, education and the economic diversification Koja campaigned on.

The return of American-held land south of Kadena under the 2013 consolidation framework proceeds on its own schedule and requires prefectural cooperation regardless of the governor's position on Henoko.

Opposition to the relocation has not disappeared with the change of governor, and grassroots groups that predate the All Okinawa coalition are expected to continue their own advocacy and legal challenges.

How quickly gradual becomes substantive will be measured in specific decisions rather than in statements of intent, and the first of those will arrive with the budget process.

Prefectural staff in Naha are conducting the handover, with routine public services continuing uninterrupted throughout.

The formal mechanism for central-prefectural coordination on base matters includes consultative bodies that operated through the previous administration alongside the litigation.

Resuming their substantive function rather than their formal existence is what gradual resumption of dialogue would mean in practice.

Prefectural cooperation is required for land use approvals, environmental assessments and coastal management decisions connected to the relocation.

POLITICS

Financial Regulator Rebuilds Inspection System, Turning to AI

By Kenta Sakamoto | Data & Visualization Reporter

The Financial Services Agency is rebuilding its inspection system for financial institutions, establishing a project team and planning both specialised personnel training and the use of generative artificial intelligence, according to Asahi Shimbun.

Financial inspection in Japan has undergone several reinventions since the 1990s banking crisis, moving from an adversarial checklist model toward a dialogue-based supervisory approach and, in recent years, toward questions about whether that shift went too far.

The checklist era produced thorough documentation and a compliance culture oriented toward surviving inspections rather than managing risk. The dialogue era addressed that and introduced its own difficulty, since supervision built on conversation depends heavily on the quality of the supervisors.

Specialised personnel training addresses exactly that dependency. An agency examining increasingly complex institutions needs examiners whose expertise keeps pace with what they are examining.

The generative AI component is the more novel element and the one carrying the most obvious risk. Applied to document review and pattern detection across large volumes of filings, such tools can extend an examiner's reach considerably.

Applied without care, they can also produce confident output that no one has verified, which in a supervisory context would be a failure mode worse than the slowness it was meant to fix.

The timing follows a period in which Japanese financial institutions face a genuinely changed environment, with interest rates normalising after decades near zero and the credit quality of loans written during the easy years yet to be fully tested.

Regional banks in particular carry exposures accumulated under conditions that no longer apply, which is the kind of risk an inspection regime exists to identify before it becomes a problem.

Real estate lending has drawn specific regulatory attention given record metropolitan property values and the sensitivity of those values to financing costs now rising.

The project team's output will determine whether the rebuild amounts to a genuine change in supervisory capability or a reorganisation of the existing one.

POLITICS

Extraordinary Session to Open With Tax Measure and Funding Gap

By Michael Hayes | Deputy Editor, Politics & Policy

The extraordinary Diet session expected to follow tomorrow's cabinet reshuffle will take up a consumption tax measure whose roughly 5 trillion yen annual cost has no identified funding source, alongside a legislative agenda heavier than a mid-term session usually carries.

The tax outline requires legislation before its April 2027 start date, and a measure cutting the food rate to 1% will not pass without extended debate about where the money comes from.

Opposition parties face a tactical bind the outline creates for them. Voting against a food tax cut is difficult to explain to households; voting for one with no named source endorses the fiscal looseness they have criticised.

An income-linked benefit system attached to the package adds its own design questions, since eligibility thresholds and payment mechanisms determine who receives what and when.

Defence spending sits alongside it, with reports of a 3.5% of gross domestic product target contributing to the bond selling that pushed long-term yields to three-decade highs this week.

Supplementary budget questions will follow energy costs, with crude above $100 a barrel and the nuclear restart programme set back by the Hamaoka withdrawal.

The Japan Innovation Party's first cabinet post gives the coalition a broader base in the chamber and a partner whose own priorities on administrative reform will need accommodating.

The replacement of the upper house secretary-general immediately before the session, reportedly over a rift on parliamentary affairs, adds uncertainty to floor management in a chamber that can delay legislation.

Committee scrutiny of new ministers is where extraordinary sessions typically produce their most consequential moments, with unfamiliarity exposed publicly and early impressions persisting.

The opposition arrives mid-reorganisation, with a provisionally named new vehicle and further realignment under consideration, which is a weak position from which to press a fiscal argument.

Session length is set by the government and can be extended, and the density of this agenda makes extension more likely than not.

POLITICS

Why the Upper House Secretary-General Matters

By William | Senior Political Analyst

The replacement of Junichi Ishii as the Liberal Democratic Party's secretary-general in the House of Councillors, reportedly over a rift with the Prime Minister on parliamentary affairs, concerns a post whose importance is inversely proportional to its public profile.

The House of Councillors is the upper chamber of Japan's Diet, elected on a different cycle from the lower house and possessing powers that are limited in theory and consequential in practice.

The lower house can override upper house rejection of ordinary legislation with a two-thirds majority, a threshold that most governments do not command, which gives the upper chamber real capacity to delay.

Budget bills and treaties operate differently, with lower house primacy stronger, but the ordinary legislative programme depends substantially on upper house cooperation.

The party secretary-general in the chamber manages that cooperation, negotiating scheduling with opposition counterparts and maintaining discipline among the party's own members.

Parliamentary affairs, the stated background to the reported rift, is the technical term for exactly that work, and disputes in the area are rarely about principle.

The upper house has its own institutional culture and a leadership that has periodically asserted independence from the lower house command, a dynamic that has produced friction under several administrations.

Members serve six-year terms with half the chamber elected every three years, which gives them a longer horizon and a degree of insulation from immediate political pressure.

That insulation cuts both ways, producing members less responsive to leadership direction and a chamber that has occasionally proved difficult for governments commanding comfortable lower house majorities.

Changing the official who manages this immediately before a session dominated by a contested tax measure is a decision with evident risk.

Kazuhiko Aoki's expected succession will be tested quickly, since the incoming holder must establish working relationships with opposition counterparts under time pressure.

POLITICS

What Adding Ishin to the Cabinet Changes, and What It Does Not

By Michael Hayes | Deputy Editor, Politics & Policy

Tomorrow's reshuffle is expected to give the Japan Innovation Party its first cabinet post, and the practical consequences of that step are narrower and more specific than the milestone framing suggests.

Coalition membership and cabinet membership are distinct. A party can support a government in the chamber without holding executive office, and Ishin has done so while retaining the freedom to differentiate itself.

Taking a cabinet seat converts that arrangement into shared executive responsibility, binding the party to defend outcomes it participated in drafting rather than merely influencing.

The parliamentary arithmetic does not change. A coalition partner's votes were already available, and a cabinet seat does not add members to either chamber.

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What changes is the party's position in the drafting process, moving from consultation after a proposal exists to participation while it is being written.

For a party built on administrative reform and scepticism toward Tokyo-centred governance, that access is the prize and the constraint simultaneously.

Komeito's long partnership with the Liberal Democratic Party is the standing reference, a relationship that delivered durable influence while eroding the distinctiveness the party held before entering government.

Ishin's Osaka base gives it a governing record to point to, which distinguishes it from most of Japan's smaller national parties and grounds its reform claims in something practical.

The consumption tax package presents an immediate test, since the party approved the outline before cabinet and now shares responsibility for a funding gap it did not create.

The party's senior appointments completed this week, with Shibata as secretary-general and Umemura at policy research, suggest an organisation preparing for that shared responsibility.

Which portfolio the party receives will determine how much practical scope its cabinet member actually has, and that will not be known until the formal announcement.

POLITICS

Okinawa's Budget Increase Will Be Read Two Ways

By Aiko Tanaka | Senior Japan Correspondent, Tokyo Bureau

The Prime Minister's confirmation that the government will cooperate with Okinawa's new governor, and the reported upward adjustment of the prefecture's development budget beyond 300 billion yen, will be read in opposite directions by the two sides of the argument the election settled.

To the incoming administration and its supporters, a larger budget is the practical dividend of ending twelve years of confrontation, money that flows more easily when prefecture and central government are not litigating each other.

To the outgoing coalition, the sequence invites a blunter reading about what cooperation purchases and what opposition costs.

Both readings can be true simultaneously, which is what makes the arrangement difficult to assess by either side's preferred framing.

Okinawa's development budget operates under a dedicated legal framework distinct from ordinary regional allocations, reflecting the prefecture's postwar circumstances and the period of American administration that ended in 1972.

Successive promotion plans have channelled funds toward infrastructure, industrial development and education, with assessments finding uneven results against the persistent income gap the programmes were meant to close.

Tourism has been the clearest success, though the sector's wage levels and seasonal patterns limit how far growth translates into household income.

Critics of the framework have argued its structure encourages construction-weighted spending over the human capital investment that would more durably raise incomes.

Koja campaigned on diversification away from tourism dependence, which gives the additional funding a stated purpose beyond its symbolic role in the relationship with Tokyo.

Redirecting an established funding structure toward different ends is considerably harder than announcing the intention, and the first budget the new administration prepares will show how far the intention extends.

Gradual resumption of dialogue, the phrase the Prime Minister used, will be measured in specific decisions rather than in statements.

POLITICS

The Consumption Tax at 37, and the First Cut in Its History

By William | Senior Political Analyst

The cabinet decision to cut the food consumption tax to 1% is the first downward movement in the levy's history, and that history explains why the moment carries weight beyond its arithmetic.

The tax was introduced in April 1989 at 3%, after years of failed attempts by successive governments to establish a broad-based indirect tax, and contributed to a heavy defeat for the governing party in the upper house election that summer.

The rate rose to 5% in 1997 under a government that had staked considerable capital on fiscal consolidation, coinciding with a recession that critics attributed to the increase and defenders to the Asian financial crisis.

That episode established a lesson every subsequent government has absorbed: raising the consumption tax is expensive for whoever does it, whatever the economic case.

The rate reached 8% in 2014 and 10% in 2019, both increases legislated by one government and implemented by another after delays, with the 2019 rise introducing the reduced 8% rate for food and non-alcoholic beverages.

That reduced rate created the two-tier structure within which this week's outline operates, and its administrative machinery is what makes a targeted cut feasible.

Retailers and point-of-sale systems already distinguish between the categories, so the change adjusts a rate rather than requiring new classification.

Consumption tax revenue has become one of the largest single sources of general account income, supporting the social security spending an ageing population requires, which is why cuts have been resisted across governments of different composition.

The two-year limit reflects that constraint. A permanent cut would require a permanent answer to the revenue question; a temporary one defers it to a government not yet elected.

Opposition parties have periodically campaigned on consumption tax cuts, and the coalition's adoption of a targeted reduction takes an argument that had belonged to its critics.

Households will not see the change at the register until April 2027, a gap that gives retailers time to prepare and opponents time to argue the relief is too distant to matter.

POLITICS

The Portfolios That Will Matter Most in the New Cabinet

By Michael Hayes | Deputy Editor, Politics & Policy

Tomorrow's reshuffle will be assessed on a handful of appointments rather than the full list, and the week ahead determines which ones.

Finance carries the most immediate weight. A Bank of Japan decision lands on Friday, long-term yields sit at three-decade highs, and a 5 trillion yen tax measure heads to the Diet without a funding source.

Whoever holds the portfolio will be the government's public interface for all three within days of taking office.

Economy and fiscal policy sits alongside, responsible for the growth strategy against which the tax package will be defended.

Defence acquires unusual prominence given reports of a 3.5% of gross domestic product spending target, the loss of a surveillance aircraft this week and a strategic documents revision proceeding on an accelerated timeline.

The chief cabinet secretary conducts the government's daily press briefings and becomes the administration's public voice, which makes the appointment consequential beyond its formal responsibilities.

The Japan Innovation Party's first cabinet seat is the appointment carrying the most political significance, and which portfolio it receives will indicate how much practical scope the party has been given.

Ministers of State for Special Missions in the Cabinet Office handle briefs the prime minister assigns, which offers latitude without the institutional base a line ministry provides.

Vice-ministerial and parliamentary secretary posts are typically filled in the days after the cabinet itself, extending the reshuffle into the second tier.

New ministers face committee questioning in the session that follows, where command of a brief is tested publicly and early impressions persist.

What a reshuffle does not change is the government's parliamentary arithmetic or its policy commitments, which remain those of the coalition regardless of who holds each seal.

POLITICS

Committee Rooms Are Where the Funding Question Gets Asked

By Michael Hayes | Deputy Editor, Politics & Policy

The Diet's committee system is where a tax measure with an unnamed funding source will actually be examined, and it operates differently from the plenary sessions that receive broadcast attention.

Standing committees shadow the ministries, with budget and finance committees carrying the work on a measure of this kind.

Questioning is allocated by party strength, which means the governing coalition receives the largest share and opposition members compete for the remainder.

That allocation has been criticised for limiting scrutiny, since a government's own members rarely press it as hard as opponents would.

Ministers answer personally rather than through officials in most circumstances, a convention that exposes command of a brief and makes committee appearances consequential for a minister's standing.

Bureaucrats may answer technical questions, and the boundary between political and technical has itself been contested.

Budget committee sessions in particular range beyond the budget, functioning as a general forum for questioning the government on whatever is current.

That breadth means a session convened on a tax measure will also address the reshuffle, the defence spending target and whatever else has arisen.

Televised proceedings give opposition members their most visible platform, which shapes how questions are framed and occasionally rewards theatre over substance.

The measure's passage in some form is likely given the coalition's numbers, which makes the substance of what emerges more consequential than the outcome of the vote.

Amendments negotiated in committee are where a funding source, if one is named, would appear.

ANALYSIS

ANALYSIS: One Land Price Average, Two Property Markets

A national figure of 1.5% and a Tokyo figure of 7.9% are not measuring the same country

By Kenji Fukuda | Real Estate & Urban Development

The standard land price release produces a single national number each year, and each year that number describes a country that does not exist. This year's 1.5% national average sits between a Tokyo rise of 7.9% and continued declines across large parts of the interior.

Averages are useful when a distribution clusters around them. Japanese land values do not cluster; they diverge, and the divergence has been widening for most of the period since the population peaked.

Three forces account for nearly all of the appreciation. Metropolitan office and residential demand, concentrated in Tokyo and Osaka. Tourism, which has lifted commercial land in destinations that draw international visitors. And semiconductor investment, which has moved land values near major fabrication projects well before the facilities produce anything.

Furano's appearance among the top gainers nationally illustrates the second force precisely. A Hokkaido town whose local demographics offer no support for rising land values has them anyway, because the buyers are not local.

That pattern has a cost that the price index does not capture. Housing in destinations transformed by external demand becomes disconnected from local wages, and the people who staff the hospitality economy find themselves priced out of the towns they work in.

Commercial land rising 2.9% against residential land's 1.0% reflects the same asymmetry. Businesses and investors are bidding for location; households are constrained by income.

Tokyo's fourteenth consecutive year of increases means a complete cycle of household formation has now occurred without any experience of falling metropolitan land values, which changes how a generation reasons about property risk.

The generation before them reasoned differently for good cause, having watched values fall for the better part of two decades after 1991 in a correction that shaped Japanese balance sheets and Japanese caution.

At the far end of the distribution sit the areas where land values have fallen to levels at which conventional transactions barely occur, which is the origin of the vacant housing problem rather than a separate issue from it.

Policy has tools for the top of the distribution and fewer for the bottom. Restrictions on foreign purchase, taxation of vacant land and support for regional revitalisation have all been discussed, and none addresses the underlying demographic arithmetic.

This year's figures were measured as of July 1, before the sharpest leg of the recent rate move, which is the timing qualification to carry into any forecast drawn from them.

The Bank of Japan's decision this week bears directly on what comes next, since mortgage pricing follows long-term rates and those rates have moved to levels not seen in three decades.

Inheritance tax assessment draws on a related valuation series set at around 80% of the public notice level, which means rising land values translate into rising liabilities for families transferring property.

That pressure has forced sales of family property in metropolitan areas where values have risen sharply, a consequence of appreciation that the price index records without describing.

Threshold adjustments to inheritance tax have been a recurring subject of political discussion for precisely this reason.

ANALYSIS

ANALYSIS: A Reshuffle Timed for a Difficult Session

By William | Senior Political Analyst

Tomorrow's cabinet reshuffle completes a personnel settlement that began with today's party executive appointments and includes the replacement of the upper house secretary-general, and the sequence tells you what the government expects the coming session to be like.

Governments reshuffle for several reasons at once: rewarding allies, refreshing portfolios that have accumulated difficulty, admitting a coalition partner, and preparing a front bench for what is coming. This one appears to be doing all four.

What is coming is a consumption tax measure costing roughly 5 trillion yen a year with no identified funding source, arriving in a chamber whose party secretary-general is being replaced over a reported rift about parliamentary affairs.

That combination is unusual. Changing the official who manages floor business immediately before the session where floor business will matter most suggests the disagreement was serious enough that the leadership preferred disruption to continuity.

The Japan Innovation Party's first cabinet seat adds a second variable. A coalition partner inside the cabinet shares responsibility for defending the funding gap, which strengthens the government's numbers and broadens the target.

Ishin's own senior appointments, completed this week, suggest a party organising itself for that shared responsibility rather than for the differentiation it has previously relied on.

The opposition arrives at the session mid-reorganisation, with a provisionally named new vehicle and further realignment under consideration, which is the weakest possible position from which to press a fiscal argument.

The Bank of Japan meets on the 17th and 18th, which means a probable rate increase will land in the same news cycle as the new cabinet's first day, with whichever minister holds the finance portfolio facing markets immediately.

Long-term yields at three-decade highs give that combination more weight than it would carry in a calmer rate environment.

Committee scrutiny of new ministers is where extraordinary sessions typically produce their most consequential moments, since unfamiliarity with a brief is exposed publicly and early impressions persist.

ANALYSIS

The session's length is set by the government and can be extended, and the density of this agenda makes extension more likely than not.

For the public, the measure of all this arrives in April 2027, when the food tax cut either takes effect as approved or in whatever form the Diet leaves it.

DEFENSE

What the Global Hawk Does, and Why Losing One Matters

By Maya Suzuki | Science & Innovation Desk

The aircraft lost off Tottori is a high-altitude, long-endurance unmanned platform, and understanding what that combination delivers explains why a fleet of three matters more than the number suggests.

High altitude means operating above roughly 18,000 metres, well clear of commercial traffic and most weather, with a sensor horizon that extends hundreds of kilometres in every direction.

Long endurance means staying there. Missions measured in tens of hours allow continuous coverage of an area that manned aircraft could only sample, since crews require rest and the aircraft require the fuel to bring them home.

Persistence is the capability that distinguishes the platform. Detecting that something has changed requires having watched continuously enough to know what normal looked like.

Japan's acquisition followed a deteriorating regional picture in which North Korean missile activity, Chinese naval and air operations around the southwestern islands, and Russian movements in northern waters all required monitoring simultaneously.

The aircraft carries imagery and signals collection equipment rather than weapons, which places it in the intelligence, surveillance and reconnaissance category rather than the strike one.

Operating from Misawa Air Base in Aomori gives coverage of both the Sea of Japan and the Pacific approaches, with transit times that a shorter-ranged platform could not sustain.

Unmanned operation removes the crew risk that made comparable Cold War-era reconnaissance flights politically fraught, which is part of why such platforms proliferated.

It also changes the calculus when one is lost. No family is notified, and the diplomatic consequences of an incident involving an unmanned aircraft differ from one involving aircrew.

Production of the type has ended in the United States, which means replacement is not a matter of ordering another. Any restoration of the lost capability involves the second-hand market or a different platform.

Alternatives exist, including maritime patrol aircraft that Japan operates in numbers and satellite coverage that the country has expanded, though neither replicates the persistence a loitering high-altitude platform provides.

The investigation will determine cause, and cause will determine whether the loss reflects a fleet-wide issue requiring a temporary stand-down or a single-aircraft failure.

Sensor payloads on platforms of this type typically combine synthetic aperture radar, which produces imagery regardless of cloud or darkness, with electro-optical and infrared cameras.

Signals collection equipment detects and locates emissions, building a picture of radar and communications activity across a wide area.

The combination allows a single aircraft to monitor both what is physically present and what is transmitting, which is why persistence over contested waters is valuable.

DEFENSE

Japan's Surveillance Architecture, and the Gap a Lost Aircraft Leaves

By William | Senior Political Analyst

The Global Hawk lost off Tottori formed one element of a surveillance architecture Japan has assembled over two decades, and understanding the other elements clarifies what its absence actually costs.

Maritime patrol aircraft carry the largest share of the work, with the P-1 and older P-3C fleets flying long sorties over the surrounding seas and operating in numbers the unmanned fleet never approached.

Those aircraft carry crews, which limits sortie length and requires rest cycles, and they operate at altitudes where weather and detection both matter more than at the levels a high-altitude platform occupies.

Airborne early warning aircraft provide a different function again, watching for air activity rather than surface movement, and operating on their own patrol pattern.

Ground-based radar covers the approaches from fixed sites along the archipelago, providing continuous coverage of defined sectors without the flexibility an airborne platform offers.

Satellite reconnaissance has expanded considerably, with Japan operating information-gathering satellites whose imagery supplements what aircraft collect, though orbital mechanics determine when any satellite is over a given point.

The unmanned high-altitude platform filled the gap between those systems, offering persistence that manned aircraft cannot sustain and flexibility that fixed radar and orbiting satellites do not provide.

Losing one of three removes roughly a third of that specific capability, which matters more in a fleet this small than the arithmetic alone suggests, since maintenance cycles already limit how many are available at once.

Allied capability partially compensates, with United States forces operating their own surveillance assets in the region and sharing what the alliance relationship provides for.

Dependence on that sharing is precisely what Japan's own acquisition was intended to reduce, giving Tokyo an independent picture rather than one received.

Replacement is complicated by the end of production for the type, which leaves the second-hand market or a different platform as the available routes.

The Defense Ministry has not indicated which it will pursue, and any decision will be shaped by the budget discussions now underway.

DEFENSE

A 3.5% Defence Target Meets a Bond Market Already Selling

By Yuki Saito | Economics & Finance Reporter

Reports of a defence spending target of 3.5% of gross domestic product contributed to the bond selling that pushed Japanese long-term yields to three-decade highs this week, arriving alongside a cabinet-approved tax cut with no named funding source.

Japan's defence spending sat near 1% of output for decades, a self-imposed ceiling that functioned as a political convention rather than a legal limit and that shaped both the force structure and the alliance relationship.

That convention has been abandoned progressively, with successive governments raising the trajectory in response to a security environment that deteriorated faster than the previous planning assumed.

Moving toward 3.5% would represent a transformation rather than an increase, placing Japanese defence spending among the highest in the developed world as a share of output.

The capability questions such a figure raises are substantial. Money must be spent on something, and building force structure takes longer than appropriating funds for it.

Personnel is the binding constraint that spending addresses least easily. The Self-Defense Forces have struggled to meet recruitment targets in a shrinking working-age population, and equipment without crews is not capability.

Procurement capacity presents its own limit, with domestic defence industry capable of absorbing only so much additional order volume and foreign purchase carrying its own delivery timelines.

The fiscal question is what the bond market priced this week. A state intending to spend substantially more while taxing less must borrow the difference, and investors adjusted their required compensation accordingly.

Debt servicing costs rise with yields on an outstanding stock already large relative to output, which tightens the arithmetic that produced the selling.

Whether the target survives contact with the budget process is the question the extraordinary Diet session will begin to answer.

The loss of a surveillance aircraft in the same week provides an awkward illustration of what capability costs and how quickly it can be reduced.

Defence spending comparisons across countries are complicated by what each includes, with pensions, coast guard functions and research spending treated differently in different national accounts.

Japan's figures have historically excluded items that allied countries include, which means headline percentages understate the comparison somewhat.

NATO's 2% guideline has been the reference point in most international discussion, which is what makes a 3.5% figure notable.

DEFENSE

Japan's Turn to Unmanned Aviation, and Its Limits

By Maya Suzuki | Science & Innovation Desk

The loss of a Global Hawk off Tottori draws attention to a category of capability Japan adopted comparatively late and has expanded cautiously.

Unmanned aircraft entered Japanese service considerably after they became routine in American and Israeli forces, reflecting both constitutional constraints on force posture and a procurement culture that favours proven systems.

The surveillance role was the natural entry point, since intelligence collection raises fewer of the legal and political questions that armed unmanned systems provoke.

Japan's constitutional framework and its long-standing policy restraint have made armed drones a subject of considerably more sensitivity than surveillance platforms.

The practical case for unmanned surveillance is straightforward. Persistence over wide ocean areas is exactly what crewed aircraft do least efficiently and what Japan's geography most requires.

Cost comparisons favour unmanned platforms over their operational lives, though acquisition costs for high-end systems are substantial and support infrastructure is not free.

Training and maintenance for such systems require specialist personnel in a force already struggling with recruitment in a shrinking working-age population.

Smaller unmanned systems have proliferated more quickly, with tactical platforms used for reconnaissance at unit level and for disaster response.

The disaster application has proved particularly valuable, with drones surveying damage in areas that ground teams cannot reach quickly after earthquakes and floods.

Counter-drone capability has become its own requirement, as unauthorised flights over sensitive sites have prompted legislation and detection systems.

The investigation into this week's loss will determine whether the cause was specific to one aircraft or indicates something requiring attention across the fleet.

DEFENSE

The Strategic Documents Revision Proceeds Against a Rising Budget Argument

By William | Senior Political Analyst

Japan's revision of its three strategic documents proceeds on an accelerated timeline against a backdrop that now includes reports of a 3.5% of gross domestic product spending target and bond markets pricing the fiscal consequence.

The three documents, covering national security strategy, defence build-up and force structure, were last revised in 2022 in a package that marked the most substantial shift in Japanese defence posture in decades.

That revision introduced counterstrike capability, raised the spending trajectory and identified China as the principal strategic challenge in language more direct than previous documents had used.

The current revision addresses what has changed since, including the deterioration in the regional environment and the lessons drawn from conflicts elsewhere.

Spending targets sit at the centre of the exercise, since the force structure the documents describe must be funded by the trajectory they assume.

The fiscal question the bond market raised this week is whether that trajectory is credible alongside a tax cut whose funding source remains unnamed.

Personnel rather than equipment is the constraint that spending addresses least easily, with recruitment falling short of targets in a shrinking working-age population.

The loss of a surveillance aircraft this week provides an illustration of how quickly capability can be reduced and how slowly it can be restored.

Alliance coordination shapes the documents substantially, since Japanese capability is planned to complement American forces rather than to duplicate them.

The revision's completion will require cabinet approval, and the reshuffle tomorrow determines who holds the defence portfolio when it arrives.

INTERNATIONAL

Bessent to Meet He Lifeng as US-China Summit Groundwork Proceeds

By Rachel Kim | Japan-U.S. Coverage, Washington-Tokyo Liaison

United States Treasury Secretary Scott Bessent will meet Chinese Vice Premier He Lifeng this weekend, in what is seen as a stepping stone toward a US-China summit later this month, according to Sankei News.

He Lifeng holds the economic portfolio on the Chinese side and has been Beijing's principal interlocutor in successive rounds of talks with Washington, which makes the meeting the established channel rather than a new one.

Treasury-level engagement addresses the commercial dimension of a relationship whose security dimension is handled elsewhere, and the two tracks have periodically moved in different directions.

Preparatory meetings before a summit serve a specific function. They establish what can be agreed in advance so the principals' meeting produces announcements rather than negotiations.

For Japan the substance matters more than the meeting. Tariff arrangements, export controls on advanced semiconductors and rare earth supply all bear directly on Japanese manufacturers regardless of who agrees them.

Japanese semiconductor equipment makers have operated under coordinated export restrictions on advanced tools to China, a constraint on a market that had represented meaningful revenue.

Any easing or tightening agreed between Washington and Beijing reaches those companies without Japan being party to the discussion, which is the structural position a middle power occupies in a two-power negotiation.

Tokyo's own channel to Beijing operates separately and carries its own agenda, including the detention of Japanese nationals that parliamentary league members raised in China this week.

Markets will read the meeting for signals about the trade environment, which has been one of the variables shaping equity valuations across the region.

A summit later this month would be the first in the current cycle, and its outcome will shape the environment Japanese exporters operate in through the remainder of the year.

Preparatory meetings at this level typically produce a communiqué whose language has been negotiated in advance, with the principals' meeting confirming rather than establishing what has been agreed.

The absence of an announced agenda is normal for such encounters and says nothing about their substance.

Japanese officials monitor the channel closely without participating, since outcomes reach Japanese companies through supply chains and export controls regardless.

INTERNATIONAL

A Pyongyang Delegation in Japan, by Way of Sport

By Daisuke Ito | Investigations & Longform

North Korean Sports Minister Kim Il-guk's journey to the Aichi-Nagoya Asian Games, routed through Beijing, places a member of the Pyongyang

INTERNATIONAL

government on Japanese soil at a time when the two countries maintain no diplomatic relations.

The mechanism that permits it is the charter under which multi-sport games operate, which obliges host nations to admit accredited delegations from participating national committees irrespective of bilateral relations.

Japan has hosted North Korean athletes under that obligation before, and the arrangements are handled as a matter of Games administration rather than through any bilateral channel.

The issues between the two countries have proved resistant to every format tried. The abductions of Japanese citizens in the 1970s and 1980s remain unresolved for the families of those still unaccounted for.

Missile and nuclear development has continued alongside, with launches over or near Japanese territory a recurring feature of the security environment.

Sport has served as a channel in other divided contexts without ever substituting for diplomacy, and the record of such contacts producing political movement is thin.

What they do provide is presence, and occasionally the informal contact that formal channels cannot accommodate.

Japanese domestic politics constrains how far any government can pursue engagement, with the abductions issue commanding cross-party attention that limits the scope for quiet diplomacy.

Travel routed through Beijing reflects both the absence of direct links and the broader dependence of North Korean external contact on Chinese facilitation.

The delegation's presence will attract attention disproportionate to its likely consequence, which is the usual pattern when the two countries' officials occupy the same space.

INTERNATIONAL

What Japan Has Riding on a Washington-Beijing Meeting

By Daisuke Ito | Investigations & Longform

The meeting between Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng this weekend will address matters that reach Japanese companies directly while Japan sits outside the room.

That is the structural position of a middle power in a two-power negotiation, and it has become a defining feature of Japanese economic policy over the past decade.

Semiconductor equipment is the clearest case. Japanese makers operate under coordinated export restrictions on advanced tools to China, a constraint agreed among allies that limits a market which had produced meaningful revenue.

Any easing or tightening reached between Washington and Beijing reshapes that environment without Japanese participation in the decision.

Rare earth supply presents the mirror image, with Chinese export controls on materials essential to magnets, motors and electronics affecting Japanese manufacturers regardless of the state of Japan-China relations.

Japan learned that lesson directly in 2010, when a maritime incident was followed by restrictions on rare earth exports, an episode that prompted a sustained diversification effort with partial success.

Tariff arrangements between the two largest economies determine the trading environment Japanese exporters operate in, particularly for goods that pass through Chinese assembly before reaching American consumers.

Tokyo maintains its own channel to Beijing, which this week carried parliamentary league members raising the detention of Japanese nationals, a matter that runs on its own track.

A US-China summit later this month would be the first of the current cycle, and preparatory meetings exist to ensure the principals announce rather than negotiate.

Markets across the region will read the outcome for signals about a trade environment that has been among the variables shaping equity valuations.

For Japan the practical response has been to deepen alternative relationships while retaining the supply chain positions that give Tokyo something to trade with.

INTERNATIONAL

Parliamentary League Raises Detentions in Beijing

By Rachel Kim | Japan-U.S. Coverage, Washington-Tokyo Liaison

Young lawmakers from the Japan-China Parliamentary League visited China this week and conveyed concerns about the detention of Japanese citizens, raising in person an issue that has strained the relationship without ever dominating it.

The detentions, typically on charges related to espionage or national security that Chinese authorities decline to specify publicly, have recurred over more than a decade and proved resistant to quiet diplomacy.

China's counter-espionage legislation, revised in recent years to broaden the definition of espionage, has heightened concern among Japanese businesses operating in the country.

Business associations have raised the issue persistently, noting that uncertainty about what conduct might attract scrutiny complicates ordinary commercial activity such as market research and data collection.

Parliamentary leagues occupy a particular niche in Japan's China policy, providing a channel alongside formal diplomacy that can raise matters government-to-government contact handles awkwardly.

Sending younger members has its own logic, building relationships intended to outlast current leadership on both sides and signalling that the issue is not expected to resolve quickly.

Chinese officials have generally responded to such representations by asserting that detentions are internal legal matters, which leaves Japanese interlocutors with limited leverage beyond persistence.

The visit comes as the broader relationship carries its own separate frictions, from territorial questions in the East China Sea to technology export controls.

It also comes days before American and Chinese officials meet on trade, a negotiation whose outcomes reach Japanese companies without Japan being party to it.

Whether representations of this sort produce results is difficult to establish, since releases when they occur are not accompanied by explanations.

The economic relationship remains substantial regardless of the political friction, with China among Japan's largest trading partners.

INTERNATIONAL

Sport as the Only Room Where Tokyo and Pyongyang Meet

By Rachel Kim | Japan-U.S. Coverage, Washington-Tokyo Liaison

North Korean Sports Minister Kim Il-guk's travel to the Aichi-Nagoya Asian Games, routed through Beijing, places a Pyongyang official on Japanese soil between two countries that maintain no diplomatic relations.

The mechanism permitting it is the charter under which multi-sport games operate, obliging host nations to admit accredited delegations from participating national committees irrespective of bilateral relations.

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Travel routed through Beijing reflects both the absence of direct links and the broader dependence of North Korean external contact on Chinese facilitation.

The delegation's presence will attract attention disproportionate to its likely consequence, which is the usual pattern when the two countries' officials occupy the same space.

Japanese security arrangements for the delegation follow the host obligations the Games impose rather than any bilateral agreement.

INTERNATIONAL

An Extradition Arrest Shows a Working Relationship Beneath the Politics

By Rachel Kim | Japan-U.S. Coverage, Washington-Tokyo Liaison

The arrest of two South Korean nationals wanted over an attempted robbery in Taito Ward eight years ago, executed under the bilateral extradition treaty, illustrates a layer of the relationship that operates regardless of political temperature.

Japan and South Korea have maintained practical cooperation across law enforcement, customs and maritime safety through periods when political relations were severely strained.

The extradition treaty, in force since 2002, removed much of the case-by-case diplomacy that surrendering suspects previously required.

Police liaison arrangements handle the identification and location work, with the National Police Agency maintaining channels to counterpart forces.

Cross-border crime between the two countries has grown alongside the volume of travel, encompassing property offences, fraud and cases connected to online activity.

Both countries face the same difficulty with suspects who leave the jurisdiction, and reciprocal arrangements serve both equally.

Political relations have improved considerably from their low point, with security cooperation expanding alongside the trilateral arrangement including the United States.

That improvement has been driven substantially by shared assessment of the regional security environment rather than by resolution of the historical disputes.

Those disputes remain, and have periodically reasserted themselves in ways that constrain how far cooperation extends into politically sensitive areas.

Law enforcement cooperation has proved among the most durable elements precisely because it operates below the level at which those disputes bite.

ECONOMY

Long-Term Yields Reach 3.035%, Highest Since 1996

US ten-year Treasuries touched 5.04% as oil prices and fiscal concerns drove bond selling on both sides of the Pacific

By Yuki Saito | Economics & Finance Reporter

Domestic long-term interest rates rose temporarily to the 3.030% to 3.035% range, reported as the highest level in roughly three decades, since September 1996, according to Nikkei, Yomiuri Shimbun and Mainichi Shimbun. United States ten-year Treasuries briefly reached 5.04%, their highest in approximately nineteen years.

A Japanese ten-year yield above 3% is a number that requires recalibration for anyone whose working life has been spent in the era that followed. For most of the past two decades the figure sat below 1%, and for a period it sat below zero.

Two distinct pressures produced the move. Expectations of an accelerated pace of Bank of Japan rate increases account for part of it, with the policy meeting on the 17th and 18th widely expected to deliver a rise to 1.25%.

Fiscal concerns account for the rest. Reports of a defence spending target of 3.5% of gross domestic product, arriving alongside a cabinet-approved consumption tax cut whose roughly 5 trillion yen annual cost has no named funding source, gave bond investors two reasons at once to demand more compensation.

High oil prices sit underneath both, feeding inflation expectations that raise the return investors require for holding long-dated debt.

The mechanism is not complicated. A government that intends to spend more and tax less must borrow the difference, and bondholders price that additional issuance before it arrives.

For households, the transmission runs through mortgage rates, which in Japan are predominantly variable and reset on a schedule that will bring the change to borrowers over the coming year.

For the government, higher yields raise debt servicing costs on an outstanding stock that is large relative to output, which tightens the fiscal arithmetic that produced the selling in the first place.

For banks and insurers, higher yields improve the returns on the government bonds that dominate their portfolios, reversing a squeeze that years of yield suppression had imposed.

The Bank of Japan's own position is complicated by the move. Rising long-term rates do some of the work a policy rate increase is intended to do, while also raising questions about the pace at which the market expects normalisation to proceed.

American yields at 5.04% tighten global financial conditions independently of anything the Bank of Japan decides, raising the discount rate applied to equities everywhere and making dollar assets more attractive relative to yen assets.

That differential is what has pushed the yen toward the upper 154 range and around 155, adding imported cost pressure to the inflation picture the board will assess on Thursday and Friday.

Whether 3% marks a new range or an overshoot will be clearer once the Federal Reserve's decision, due at the conclusion of its meeting today, and the Bank of Japan's own outcome are both known.

The Bank of Japan's dismantling of yield curve control, which had capped long-term rates directly, is what made a move of this size possible in the first place.

A market setting long-term rates without a central bank cap is doing something Japanese bond markets had largely stopped doing, which makes this week's level informative in a way suppressed yields were not.

Japanese life insurers and pension funds hold substantial domestic bond portfolios, and higher yields improve the returns backing long-term policy obligations that years of yield suppression had squeezed.

The same institutions hold foreign bonds whose hedging costs move with the interest-rate differential, which is why American yields at 5.04% register directly on Japanese balance sheets.

ECONOMY

Nikkei Slips a Third Day as Investors Wait on Two Central Banks

By Yuki Saito | Economics & Finance Reporter

The Nikkei average fell for a third consecutive session on the 15th, closing at 63,484.10 yen, down 8.89 points or 0.01%, according to Nikkei and Reuters. The day's high was 64,101 and the low 63,067, a range considerably wider than the closing change suggests.

That gap between an eight-point decline and a thousand-point intraday range is the session's actual character. The market moved substantially during the day and ended almost exactly where it started, which is what waiting looks like on a chart.

Rising interest rates and a wait-and-see attitude ahead of the Federal Open Market Committee's conclusion and the Bank of Japan's meeting accounted for the caution, with neither outcome known when Tokyo closed.

Some semiconductor-related stocks were sold, continuing the pressure the sector has absorbed since reports that OpenAI would postpone its listing and the call from Anthropic's chief executive for a slowdown in artificial intelligence development.

SoftBank Group rose sharply after the previous day's steep decline, supporting the index. A stock that fell more than 10% intraday on Monday recovering ground on Tuesday is the kind of move that reflects positioning rather than any change in the underlying case.

The TOPIX fell 0.52% to 4,037.16, which means the broader market declined while the price-weighted

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Nikkei was held roughly flat by SoftBank's recovery, the reverse of Monday's divergence.

Those two sessions together illustrate how much a single high-priced constituent can determine what the headline index appears to have done on any given day.

Trading has been characterised by low conviction through the week, with investors reluctant to commit ahead of decisions that could move the rate environment in either direction.

The Federal Reserve concludes today with a statement and a press conference, and the Bank of Japan meets Thursday and Friday with a move to 1.25% almost fully priced.

Japanese trade statistics for August and machinery orders for July are due this morning, with August foreign visitor numbers following in the afternoon, giving the session three domestic data points before the American decision lands overnight.

Rising long-term yields remain the background condition for equities, since higher rates compress the valuations of growth companies whose returns lie furthest in the future.

How the market reads the Federal Reserve's tone will shape Thursday's open more than the decision itself, given how thoroughly the possibilities have been priced.

Three consecutive declines with the third amounting to eight points describes a market that has stopped falling without having decided to rise.

Trading volume through the week has been consistent with that reading, with investors reluctant to commit capital ahead of decisions that could move the rate environment in either direction.

Foreign investors have been substantial net participants in Japanese equities through this year, and their positioning ahead of a Bank of Japan decision that narrows the interest-rate differential is among the variables strategists are watching.

ECONOMY

Markets, Rates and Prices at a Glance

Compiled by the Economics Desk

NIKKEI 225 (Sept. 15 close): 63,484.10 yen, down 8.89 points or 0.01%. Third consecutive daily decline. Intraday high 64,101, low 63,067.

TOPIX (Sept. 15 close): 4,037.16, down 0.52%.

JAPAN 10-YEAR YIELD: touched 3.030%-3.035%, reported as the highest since September 1996.

US 10-YEAR TREASURY: briefly 5.04%, the highest in approximately 19 years.

CURRENCY: dollar-yen in the upper 154 range to around 155, with US rate-hike expectations weakening the yen.

MOVERS: SoftBank Group rose sharply after the previous session's steep fall, supporting the index. Some semiconductor-related names were sold.

STANDARD LAND PRICES (as of July 1): nationwide all uses +1.5%, a fifth consecutive annual rise. Residential +1.0%. Commercial +2.9%. Tokyo all uses +7.9%, a fourteenth consecutive year.

CENTRAL BANKS: Federal Open Market Committee concludes today with statement and press conference. Bank of Japan meets Sept. 17-18, with a move to 1.25% almost fully priced.

DUE TODAY: July machinery orders and August trade statistics this morning; August foreign visitor numbers this afternoon.

DRIVERS CITED: high oil prices, fiscal concerns including reports of a 3.5% of GDP defence spending target, and expectations of an accelerated Bank of Japan tightening pace.

CORPORATE: Hitachi Energy to build a transformer factory in Mississippi at a cost of approximately 82 billion yen.

ECONOMY

Trade, Machinery Orders and Visitor Numbers All Due Today

By Kenta Sakamoto | Data & Visualization Reporter

Three domestic indicators arrive today, with July machinery orders and August trade statistics released this morning and August foreign visitor numbers this afternoon, according to the Jiji.com schedule.

Machinery orders are among the more useful forward indicators Japan publishes, since capital equipment is ordered months before it is delivered and businesses commit to it only when they expect the demand to justify it.

The series is volatile, which is why analysts read its trend rather than any single month, but a sustained direction says a good deal about corporate confidence in domestic demand.

Trade statistics carry particular weight in the current environment, with crude above $100 a barrel and the yen in the upper 154 range both inflating the import side of the ledger.

Japan's trade balance has swung between surplus and deficit as energy prices have moved, a sensitivity that increased when the nuclear fleet idled and imported fuel took up the generating load.

The export side will be read for evidence of how currency weakness and overseas demand are interacting, with automotive and semiconductor equipment the categories that move the aggregate most.

Foreign visitor numbers have been one of the economy's genuinely strong stories, with the weak yen making Japan inexpensive for international travellers and visitor volumes supporting hospitality, retail and transport.

That strength has its own consequences, visible in the commercial land price gains recorded in tourism destinations and in the congestion pressures that have prompted entry charges at several sites.

All three releases land before the Federal Reserve's decision reaches Tokyo, giving the market domestic information to absorb ahead of an overnight external shock.

The Bank of Japan's board will have all of it in hand when it convenes tomorrow.

ECONOMY

Where Does ¥5 Trillion a Year Come From?

The tax outline approved this week leaves the question to the Diet. These are the available answers

By Yuki Saito | Economics & Finance Reporter

The cabinet-approved outline cutting food consumption tax to 1% carries an annual cost of roughly 5 trillion yen and no identified funding source. There are only a limited number of ways that gap can be closed, and each carries a constituency that will object.

The first is spending reduction. Five trillion yen is a substantial share of discretionary expenditure, and finding it would require cuts across programmes whose beneficiaries are organised and vocal.

Social security consumes the largest share of the general account and grows automatically as the population ages, which makes it both the obvious place to look and the hardest place to cut.

The second is alternative revenue. Corporate tax, income tax and the consumption tax on non-food categories all offer capacity, and each shifts the burden toward a different group.

Raising one tax to cut another is politically difficult in exact proportion to how visible the increase is, which is why such offsets are frequently structured as the removal of deductions rather than as headline rate changes.

The third is borrowing, which is what happens by default if neither of the first two is chosen. Japanese government debt is already large relative to output, and the bond market's response this week indicates that additional issuance is not being absorbed indifferently.

Domestic long-term yields touching 3.035%, the highest in roughly three decades, is the market pricing exactly this uncertainty alongside reports of a 3.5% of GDP defence spending target.

Higher yields raise the cost of servicing the existing debt stock, which means borrowing to fund a tax cut makes the fiscal arithmetic worse by more than the amount borrowed.

The fourth possibility, growth, is what governments generally hope for and cannot schedule. A tax cut that stimulates enough activity to recover its own cost is theoretically possible and empirically rare at this scale.

The income-linked benefit attached to the package adds its own cost on top of the forgone revenue, though targeting it by income limits the total relative to a universal payment.

The two-year limit caps the cumulative exposure at roughly 10 trillion yen, which is the design feature that makes the measure legislatable without a permanent answer.

Diet deliberation is where the choice among these options will be made, or deferred again, and the answer will say more about the government's fiscal intentions than the tax cut itself does.

A fifth possibility exists that governments rarely name: allowing the measure to lapse at the end of its two years without renewal, which converts the cost into a temporary one.

That is the honest reading of what a two-year limit permits, and it depends on a future government being willing to accept the political cost of restoring a tax households have stopped paying.

Comparable temporary measures in other countries have proved considerably easier to introduce than to unwind, which is the risk the design carries.

ECONOMY

How Japan Measures Land, and What the Numbers Are For

By Kenji Fukuda | Real Estate & Urban Development

Japan publishes several land valuation series through the year, and the standard land prices released this week are one of them rather than the definitive measure of what property is worth.

The public notice prices, announced each March, assess values as of January 1 and serve as the reference for public land acquisition and for general market guidance.

The standard land prices, announced each September, assess values as of July 1 and are prepared by prefectural governments, providing a mid-year check on the direction the March figures established.

A third series, the roadside land price assessment published by the National Tax Agency, is the one that determines inheritance and gift tax liability, and it is typically set at around 80% of the public notice level.

That layering exists because different administrative purposes require different things from a valuation. Tax assessment values stability and predictability; market guidance values currency.

None of the series reports transaction prices. They are appraised values for designated standard sites, assessed by licensed appraisers using comparable sales, income methods and replacement cost.

Actual transaction data is published separately by the ministry, and the gap between appraised and transacted values is itself something analysts watch.

For households the practical relevance is concentrated in inheritance, where the assessed value of land determines a tax liability that has forced sales of family property in metropolitan areas where values have risen sharply.

That pressure has grown as Tokyo's fourteen consecutive years of increases compounded, which is part of why inheritance tax thresholds have been a recurring subject of political discussion.

For businesses the series feed into balance sheet valuations, lending decisions and the rent negotiations that reference prevailing local values.

For municipalities the figures determine fixed asset tax revenue, which is the principal local tax and the one most directly tied to land.

This year's 1.5% national rise therefore reaches households, businesses and local governments through channels that have nothing to do with anyone buying or selling anything.

Fixed asset tax, levied annually by municipalities on land and buildings, is the principal local tax and the one most directly tied to assessed land values.

Revaluation for that purpose occurs on a three-year cycle rather than annually, which introduces a lag between market movement and municipal revenue.

That lag cuts both ways, cushioning municipalities when values fall and delaying their benefit when values rise.

ECONOMY

Federal Reserve Concludes as Treasury Yields Sit at 5%

By Rachel Kim | Japan-U.S. Coverage, Washington-Tokyo Liaison

The Federal Open Market Committee concludes its meeting today with a statement and a press conference, arriving with ten-year Treasury yields having briefly touched 5.04%, their highest in

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Bank of Japan Meets Thursday With Yields Already Doing Some of the Work

By Yuki Saito | Economics & Finance Reporter

The Bank of Japan's policy board convenes Thursday and Friday with a move to 1.25% almost fully priced, and with long-term yields having already risen to levels that tighten financial conditions independently of whatever the board decides.

That sequencing complicates the decision. When the market has moved ahead of the central bank, a rate increase confirms expectations rather than creating them, and the interest shifts to what the accompanying statement says about the pace afterward.

Domestic ten-year yields touching 3.035%, the highest since September 1996, represent a considerably larger move than a quarter-point policy adjustment, and they reached that level partly on expectations of an accelerated tightening pace.

Whether the board wishes to validate that expectation is the live question. Confirming a faster path would push yields further; signalling caution risks a disorderly reversal in the other direction.

The inflation picture the board is assessing carries an unusually large imported component, with crude above $100 a barrel and the yen in the upper 154 range raising the cost of nearly everything Japan buys abroad.

Raising rates addresses the currency channel directly by narrowing the interest-rate differential, and does nothing at all about the price of oil.

Wage growth remains the condition the bank has named at every stage of normalisation, on the reasoning that inflation driven by import costs alone does not justify a normalised policy rate.

The Federal Reserve's decision, due at the conclusion of its meeting today, will be known before the Japanese board finalises its communication, which is the usual and useful sequencing.

Households with variable-rate mortgages face the most direct consumer consequence, a constituency whose size makes normalisation politically sensitive after decades in which rates only fell.

Banks and insurers sit on the other side, with margins that years of yield suppression compressed now improving as rates normalise.

The cabinet's approval of an unfunded 5 trillion yen tax measure adds a fiscal dimension the board does not control and cannot ignore, since bond market conditions are part of the environment it operates in.

A statement acknowledging that environment without appearing to comment on fiscal policy is the drafting problem the board's communications staff face this week.

The board publishes an outlook report alongside its decision, setting out projections for growth and prices that markets scrutinise for signals about the path beyond the immediate meeting.

Governor Ueda has consistently framed normalisation as conditional rather than programmatic, declining to commit to a sequence and emphasising that each decision rests on the data available at the time.

A rate at 1.25% would still sit well below levels prevailing at most other major central banks, which means the differential weighing on the yen would narrow rather than close.

approximately nineteen years.

Markets entered this year expecting a cutting cycle, and the reversal toward possible tightening has been driven substantially by energy costs feeding into inflation readings that had been improving.

Energy-driven inflation presents a particular difficulty for a central bank, since the price of crude responds to supply conditions and geopolitics rather than to domestic monetary policy.

Raising rates in response to an imported supply shock risks tightening into weakness, an error central banks study carefully because the historical examples are unambiguous.

The alternative carries its own hazard. Allowing energy costs to feed into expectations is the mechanism by which a temporary price shock becomes an entrenched inflation problem.

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The committee's projections, published alongside the decision, indicate members' expectations for the policy path and are typically weighed more heavily than the decision itself when the decision is already priced.

For Japan the American outcome matters through two channels at once: the interest-rate differential that drives the yen, and the global discount rate applied to equities.

The yen in the upper 154 range reflects the first channel, with expectations of American tightening drawing capital toward dollar assets.

Japanese exporters benefit from a weaker currency in translated earnings while importers and households absorb the cost, a distributional split that has defined the debate about currency policy for years.

Tokyo will trade Thursday with the American decision known, and the Bank of Japan's board will have it in hand as it deliberates.

ECONOMY

The Last Time Japanese Yields Were This High, the Bubble Was Still Deflating

By Yuki Saito | Economics & Finance Reporter

September 1996, the reference point for this week's three-decade high in Japanese long-term yields, belongs to a different economic era, and the comparison rewards examination rather than mere citation.

The asset price bubble had burst five years earlier, and the country was working through the consequences without yet understanding how long they would last.

Banks carried non-performing loans whose scale had not been fully acknowledged, and the financial crisis that would force consolidation across the sector was still two years away.

Deflation had not yet set in as the persistent condition it became, and the policy responses that would define the following decades, zero rates and quantitative easing, had not been attempted.

Yields above 3% in that environment reflected an economy that, whatever its difficulties, still operated with positive nominal growth expectations and a functioning term premium.

The path from there ran downward for twenty years, through zero interest rate policy, quantitative easing, negative rates and yield curve control, each introduced as the previous measure proved insufficient.

Yield curve control, which capped long-term rates directly, was the most interventionist of those and its dismantling is part of why the current move has been possible.

A market that sets long-term rates without a central bank cap is doing something Japanese bond markets had largely stopped doing, which makes this week's move informative in a way that suppressed yields never were.

What the market is saying is that it requires more compensation to hold Japanese government debt, for reasons that combine expected policy rates, inflation expectations and fiscal supply.

The fiscal component is the newest of the three, and the cabinet's approval of an unfunded 5 trillion yen measure gave it fresh material this week.

For an economy whose debt stock is large relative to output, the cost of that repricing compounds over time as existing borrowing is refinanced at the new levels.

Whether 3% proves a ceiling or a waypoint depends substantially on whether the funding question the Diet inherits receives an answer.

ECONOMY

How Rising Rates Reach a Japanese Household

By Kenji Fukuda | Real Estate & Urban Development

Japanese mortgage borrowing is predominantly variable rate, which makes the transmission from policy decisions to household budgets more direct than in markets where fixed-rate lending dominates.

Variable-rate mortgages in Japan typically reset their interest rate twice yearly while adjusting the monthly payment only every five years, a structure that delays the visible effect of a rate rise.

Between resets, a higher rate changes the composition of the payment rather than its size, with more going to interest and less to principal, which extends the loan's effective life without the borrower necessarily noticing.

The payment adjustment when it comes is subject to a convention limiting the increase to 125% of the previous amount, a cushion that spreads a sharp rate move across multiple adjustment cycles.

That cushioning means the current rate environment will reach household budgets gradually over the coming years rather than immediately, which is both a relief and a deferral.

Fixed-rate borrowing exists and has historically carried a premium that most borrowers declined to pay during decades when rates only fell.

The calculation has changed. Borrowers taking out mortgages now face a genuine choice between certainty and cost, one their predecessors could reasonably resolve in favour of variable rates.

Existing borrowers face a different question about whether to refinance into fixed rates, and doing so after rates have risen locks in the higher level rather than avoiding it.

Metropolitan property prices compound the exposure. Land values in Tokyo have risen for fourteen consecutive years, which means recent buyers borrowed larger sums against higher valuations.

Lenders assess affordability at the time of application, and stress testing against higher rates has been applied unevenly across the market.

The Financial Services Agency's announced rebuild of its inspection regime arrives with exactly this category of accumulated exposure in view.

For households the practical advice from financial advisers has been consistent: understand which type of mortgage you hold and when it next resets.

ECONOMY

Visitor Numbers Due Today, With the Weak Yen Still the Engine

By Kenta Sakamoto | Data & Visualization Reporter

August foreign visitor numbers are released this afternoon, completing a day of Japanese data that begins with July machinery orders and August trade statistics.

Inbound tourism has been among the economy's strongest performers, supported by a yen that has made Japan inexpensive for international travellers relative to the alternatives.

The dollar in the upper 154 range against the yen is the single most important variable in that calculation, and it has moved further in visitors' favour this week on expectations of American tightening.

Visitor spending reaches the economy through hospitality, retail, transport and the regional businesses that serve destinations outside the major cities.

The commercial land price data released this week records the consequence, with tourism destinations among the areas showing the strongest gains and Furano in Hokkaido among the top gainers nationally.

That concentration has produced its own difficulties, with housing costs in transformed destinations disconnecting from local wages and congestion prompting entry charges at several sites.

Kyoto has been the most visible case, with residents' groups raising concerns about transport crowding and the conversion of housing stock to short-term accommodation.

Mount Fuji's entry fees and climber caps address the same pressure from a different direction, managing volume rather than pricing it.

August figures cover the domestic summer holiday period and the northern hemisphere's peak travel season, which makes the month one of the year's strongest by volume.

Whether the trajectory holds depends substantially on the currency, and a Bank of Japan rate increase this week would strengthen the yen and reduce the discount visitors currently enjoy.

The trade statistics released this morning will show the other side of the currency ledger, with import costs inflated by the same exchange rate that attracts visitors.

Visitor numbers are compiled by the Japan National Tourism Organization from immigration data, giving a comprehensive count rather than a survey estimate.

Origin market composition matters as much as the total, since spending per visitor varies considerably by country of origin and length of stay.

Regional distribution has been a persistent policy concern, with visitors concentrating on a small number of destinations while much of the country sees little of the traffic.

ECONOMY

Machinery Orders: The Indicator That Looks Forward

By Yuki Saito | Economics & Finance Reporter

July machinery orders released this morning belong to a small group of Japanese indicators that describe what businesses expect rather than what they have already done.

Capital equipment is ordered months before delivery and installed months after that, which means a company placing an order is committing to a view about demand well into the future.

That forward quality is what gives the series its value, and it is also what makes it volatile, since a handful of large orders can move a monthly figure substantially.

Analysts consequently read the trend rather than any single month, and the headline figure typically excludes volatile categories such as ships and electric power equipment for that reason.

The private sector component is the one watched most closely, since public orders reflect budget decisions rather than commercial confidence.

Manufacturing and non-manufacturing orders tell different stories, with the former tracking export conditions and the latter domestic demand.

The current environment gives the series unusual interest. Rising interest rates raise the cost of financing capital investment, while labour shortages push firms toward automation that requires exactly such investment.

Those two forces work against each other, and the orders data is where their net effect becomes visible.

Semiconductor and data centre construction have supported orders through recent quarters, with the equipment those projects require flowing through the series.

The Bank of Japan's board will have the figures before it convenes tomorrow, and capital investment intentions form part of the picture it assesses.

August trade statistics released alongside provide the external counterpart, showing how currency and overseas demand are interacting on the export side.

ECONOMY

August Trade Figures Land With Energy Still the Swing Factor

By Yuki Saito | Economics & Finance Reporter

August trade statistics released this morning arrive with crude above $100 a barrel and the yen in the upper 154 range, a combination that inflates the import side of the ledger through two channels at once.

Japan imports the overwhelming majority of its primary energy, a dependence established by geology rather than policy and one that has shaped economic strategy since the oil shocks of the 1970s.

The trade balance has swung between surplus and deficit as energy prices moved, a sensitivity that increased when the nuclear fleet idled after 2011 and imported fuel took up the generating load.

A weaker yen amplifies every element of that arithmetic, since energy is priced in dollars and conversion happens before the cost reaches any Japanese buyer.

The export side will be read for evidence of how currency weakness and overseas demand are interacting, with automotive and semiconductor equipment the categories that move the aggregate most.

Currency weakness helps exporters in translated earnings without necessarily increasing volumes, a distinction that matters for what the trade data actually shows.

Semiconductor equipment exports face the additional variable of export controls on advanced tools to China, which constrain a market that had produced meaningful revenue.

Those controls may be affected by the Washington-Beijing meeting scheduled for this weekend, without Japan participating in the discussion.

Producer prices have run above consumer prices for an extended period, indicating cost pressure firms have absorbed rather than passed on, a buffer that thins the longer it is drawn on.

The Bank of Japan's board will have the trade figures when it convenes tomorrow, and the imported component of inflation is central to the assessment it must make.

Whether energy costs ease depends on matters entirely outside Japanese control, which is the structural position the country's energy policy exists to mitigate.

ECONOMY

The Benefit Attached to the Tax Cut, and Why Its Design Matters

By Yuki Saito | Economics & Finance Reporter

The income-linked benefit system approved alongside the food consumption tax cut is the element that distinguishes the package from a straightforward rate reduction, and its design will determine much of its effect.

A consumption tax cut delivers benefit in proportion to spending, which means higher-spending households save more in absolute terms even when the cut targets a category that weighs more heavily on poorer budgets.

An income-linked benefit corrects for that by directing payments toward households below defined thresholds, addressing the distributional weakness the tax cut alone carries.

The design questions are familiar from comparable schemes. Where the threshold sits determines who qualifies. Whether it tapers or cuts off sharply determines whether a small income increase can leave a household worse off.

Payment mechanism determines speed. Systems that require application reach fewer people than those that pay automatically from existing tax records, and the difference falls hardest on those least able to navigate paperwork.

Japan's My Number system provides an administrative route for automatic payment that earlier benefit programmes lacked, though its coverage and public acceptance remain uneven.

Previous cash benefit programmes, including those distributed during the pandemic, encountered exactly these difficulties and provide a record of what worked and what did not.

Timing matters as much as design. A benefit arriving well after the cost-of-living pressure it addresses provides less relief than the same money delivered promptly.

The cost of the benefit sits on top of the forgone tax revenue, adding to the roughly 5 trillion yen annual figure whose funding source remains unidentified.

Targeting by income limits the total relative to a universal payment, which is the design feature that keeps the combined package within the scale the outline describes.

None of the detail has been published, and the Diet deliberation ahead is where it will be established.

ECONOMY

Wages Remain the Condition the Bank of Japan Keeps Naming

By Yuki Saito | Economics & Finance Reporter

Through every stage of its move away from zero rates, the Bank of Japan has returned to the same condition: sustainable wage growth. Understanding why explains much of what the board will weigh this week.

Inflation driven by import costs, of the kind a weak yen and elevated crude produce, is not the inflation a central bank aims to create. It squeezes households without reflecting strength in domestic demand.

Inflation driven by wages is different. When pay rises faster than prices, households can absorb higher costs and sustain the demand that justifies a normalised policy rate.

Japan spent decades in which neither wages nor prices moved much, and the bank's concern has been that tightening before wage growth is established would return the economy to that stasis.

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Annual spring wage negotiations have produced the largest settlements in decades over recent rounds, which is the evidence the bank has cited at each step.

The question is whether those settlements reach the smaller firms employing most Japanese workers, since headline figures reflect large companies whose capacity to raise pay exceeds the average.

Real wages, adjusted for inflation, have moved between positive and negative territory as import costs fluctuated, and sustained real growth is what the bank means by its condition.

Labour shortages across construction, care, logistics and hospitality exert their own upward pressure on pay, a structural factor that predates the current cycle.

The consumption tax cut on food approaches household purchasing power from the other direction, reducing prices rather than raising incomes, and its April 2027 start lies beyond this week's horizon.

A rate increase to 1.25% would signal the board judges the wage condition sufficiently met to continue, with the accompanying statement indicating how much further it expects to go.

For households the practical meaning is that the bank's willingness to raise rates is, in its own framing, a judgment that incomes can bear it.

ECONOMY

The Gap Between What Firms Pay and What Shoppers Pay

By Kenta Sakamoto | Data & Visualization Reporter

Producer prices in Japan have run above consumer prices for an extended period, and the gap between the two series describes cost pressure that companies have absorbed rather than passed on.

Producer prices measure what firms pay for inputs, including the imported energy and materials that a weak yen and elevated crude have made more expensive.

Consumer prices measure what households pay at the register, which reflects those input costs only after firms decide how much to pass through.

Japanese firms have historically been reluctant to raise prices, a caution formed during decades of deflation when increases cost market share and were rarely recovered.

That reluctance has eroded in recent years as input costs became impossible to absorb, and price increases that would have been unthinkable a decade ago have become routine.

Shrinkflation, reducing package size while holding price, has been the intermediate step many manufacturers took before raising headline prices, and consumer awareness of the practice has grown.

The buffer between producer and consumer prices thins the longer it is drawn on, since margin absorbed is margin no longer available.

For the Bank of Japan, the gap indicates how much cost pressure remains in the pipeline and therefore how much consumer inflation may yet arrive independently of any policy decision.

The food consumption tax cut approved this week would reduce one component of consumer prices directly from April 2027, though it does nothing about the input costs producers face.

Trade statistics released this morning will show the import side of the same equation, with the currency and energy prices that drive producer costs visible in the aggregate.

Wage growth determines whether households can absorb what does get passed through, which returns the question to the condition the central bank keeps naming.

ECONOMY

Two Forces Pulling Capital Investment in Opposite Directions

By Kenta Sakamoto | Data & Visualization Reporter

July machinery orders released this morning arrive with Japanese capital investment subject to two pressures working against each other, and the data is where their net effect becomes visible.

Rising interest rates raise the cost of financing equipment purchases, which ordinarily suppresses investment as marginal projects fail to clear their hurdle rate.

Labour shortages push in the opposite direction, since automation substitutes capital for workers a company cannot hire regardless of what it offers.

Those shortages are acute across construction, logistics, hospitality, care and agriculture, sectors where the constraint is binding rather than merely inconvenient.

Semiconductor fabrication investment has supported orders through recent quarters, with projects in Kumamoto and Hokkaido requiring substantial equipment.

Data centre construction adds its own demand, both for the buildings and for the electrical infrastructure connecting them.

Grid investment requires heavy electrical equipment now subject to global shortage, which constrains how quickly projects can proceed regardless of funding.

Corporate cash positions in Japan have been substantial for years, a legacy of deflation-era caution that means many firms can fund investment without borrowing.

That insulation reduces the sensitivity of Japanese capital spending to interest rates relative to economies where investment is more debt-financed.

The Bank of Japan's board will have the figures when it convenes tomorrow, and capital investment intentions form part of the picture it assesses.

ECONOMY

Osaka's Contribution to the Land Price Picture

By Kenji Fukuda | Real Estate & Urban Development

The Tokyo and Osaka metropolitan areas together led this year's national land price average upward, and Osaka's contribution reflects a different set of drivers from the capital's.

Osaka has drawn sustained inbound tourism, with the city serving as the gateway to Kansai and as a destination in its own right, supporting commercial land values across its central districts.

Redevelopment around the main station districts has continued over an extended period, adding office and retail capacity that has been absorbed rather than left vacant.

The 2025 Expo brought infrastructure investment and international attention, and the question of what legacy that produces has occupied local planners since.

Integrated resort development, approved after extended political contest, represents the largest single prospective investment and has shaped land values in the area around it.

Osaka's political environment, shaped by the Japan Innovation Party's long dominance of city and prefectural government, has been oriented toward development and administrative reform.

That party's arrival in the national cabinet tomorrow gives its Osaka record a national prominence it has not previously carried.

Residential land in the Osaka area has risen more modestly than commercial, following the national pattern of businesses bidding for location while households are constrained by income.

Kansai's wider regional picture remains mixed, with prefectures outside the metropolitan core recording the declines that characterise much of the country.

The concentration of gains in a small number of urban centres is the defining feature of the national data rather than an incidental detail.

ECONOMY

The Electricity Bill Behind the Nuclear Delay

By Yuki Saito | Economics & Finance Reporter

Chubu Electric Power's withdrawal of its Hamaoka restart application, announced this week, extends the period during which Japanese households pay for generation that requires imported fuel.

Japanese electricity tariffs contain a fuel cost adjustment that passes changes in import prices through to consumers with a lag of several months.

Crude above $100 a barrel and a yen in the upper 154 range therefore reach household bills toward the end of the year rather than immediately.

Liquefied natural gas rather than crude oil is the principal fuel for Japanese thermal generation, and LNG contract prices have historically been linked to oil.

Nuclear generation before 2011 supplied roughly a quarter of the national total, and the gap left by the fleet's shutdown has been filled predominantly by imported fossil fuels.

Each reactor that returns to service displaces that import volume, which is why restart timelines translate directly into household costs.

Government subsidies have periodically cushioned bill increases, limiting household impact while transferring the cost to the general budget rather than eliminating it.

Energy-intensive manufacturers face the same input cost without the political protection households receive, which is why industry associations have pressed consistently for restarts.

The food consumption tax cut approved this week addresses a different line in the household budget and does not take effect until April 2027.

Cost-of-living pressure has been the dominant theme in Japanese politics for three years, which gives electricity pricing political salience beyond its arithmetic.

Whether the restart programme recovers from this week's setback determines how long the exposure persists.

ECONOMY

What a 155 Yen Dollar Means at the Checkout

By Yuki Saito | Economics & Finance Reporter

The dollar in the upper 154 yen range and approaching 155 reaches household budgets through channels that are simple to describe and slow to unwind.

Japan imports the overwhelming majority of its energy and a substantial share of its food, both priced in dollars, so every move in the exchange rate changes the yen cost of essentials before any domestic decision is taken.

Fuel is the most immediate channel, with petrol and heating costs responding within weeks and electricity tariffs following through the fuel cost adjustment with a lag of several months.

Food follows more slowly and less visibly, as processors and retailers absorb part of the increase before passing the remainder through, frequently as smaller package sizes rather than higher prices.

Producer prices have run above consumer prices for an extended period, indicating cost pressure firms have absorbed rather than passed on, a buffer that thins the longer it is drawn on.

The food consumption tax cut approved this week addresses the same budget line from a different direction, though not until April 2027.

A Bank of Japan rate increase this week would support the yen by narrowing the interest-rate differential, which is the argument for acting even while imported rather than domestic inflation drives the price picture.

Households holding foreign-currency savings experience the reverse effect, and currency exposure across Japanese households is far from uniform.

Tourism runs the other way as well, with a weaker yen making Japan inexpensive for inbound visitors and supporting the hospitality and retail sectors that serve them.

Earlier currency intervention, conducted in coordination with Washington, established that authorities will act against disorderly moves, though intervention addresses volatility rather than level.

Wage growth determines whether currency-driven increases become a sustained squeeze, which returns the question to the condition the central bank keeps naming.

BUSINESS

Hitachi Energy to Build ¥82 Billion Transformer Plant in Mississippi

By Kenta Sakamoto | Data & Visualization Reporter

Hitachi Energy will build a new transformer factory in Mississippi at an investment of approximately 82 billion yen, according to Sankei News, adding American manufacturing capacity in a product category where global demand has outrun supply.

Transformers are among the least glamorous and most constraining components in an electrical grid. Without them, generated power cannot be moved at the voltages transmission requires, and lead times for large units have stretched to years.

Demand has been driven by three converging forces: the replacement of ageing grid infrastructure across developed economies, the connection of renewable generation that requires new transmission, and the extraordinary electricity requirements of data centres built for artificial intelligence.

That last source of demand has grown fastest and least predictably, with data centre operators competing for grid connections and for the equipment that makes them possible.

Locating the plant in the United States addresses both the market and the policy environment, since American industrial and infrastructure programmes have favoured domestic manufacturing in ways that imported equipment does not benefit from.

Hitachi Energy emerged from Hitachi's acquisition of ABB's power grids business, a transaction that gave the Japanese group a global position in exactly the equipment the current cycle requires.

For Hitachi's broader portfolio, the investment continues a shift away from the diversified conglomerate structure toward infrastructure and digital systems that has occupied the group for over a decade.

Mississippi offers lower operating costs than established American manufacturing regions and has attracted several large industrial projects in recent years on that basis.

The investment will be watched in Japan as an indicator of how domestic manufacturers are positioning against the combination of a weak yen, American industrial policy and tariff exposure.

Construction and commissioning of a facility of this kind typically runs several years before production begins, which places output well into the demand cycle now driving the order book.

Japanese manufacturers have expanded American production capacity across several sectors in response to tariff exposure, industrial policy incentives and currency conditions.

That expansion carries its own tension with domestic industrial policy, which has sought to retain manufacturing capacity in Japan.

For Hitachi specifically, the investment continues a portfolio shift away from the diversified conglomerate structure toward infrastructure and digital systems.

BUSINESS

Waymo Targets Fully Driverless Taxi Service in Tokyo Next Year

By Maya Suzuki | Science & Innovation Desk

Waymo and other operators aim to begin running fully driverless taxis in Tokyo next year, according to Yomiuri Shimbun, a step beyond the supervised testing that autonomous vehicles have conducted on Japanese roads to date.

Fully driverless is the operative distinction. Vehicles that operate with a safety driver present are a testing programme; vehicles that operate without one are a service, and the regulatory and liability questions differ accordingly.

Tokyo presents a genuinely difficult environment for autonomous driving. Narrow streets, dense pedestrian and cycle traffic, and a road network laid out without the grid regularity of the American cities where the technology matured all raise the difficulty considerably.

Left-hand driving adds its own adjustment, requiring not just mirrored software but re-validation of behaviours the system learned in right-hand traffic.

Japan's regulatory framework has moved incrementally, with legislation permitting higher levels of automation under defined conditions and prefectural authorities granting operational approvals within those limits.

The taxi industry itself faces a driver shortage that mirrors the broader labour constraint across Japanese transport and logistics, which gives autonomous operation an economic rationale beyond novelty.

That shortage has already produced partial deregulation of ride-hailing, a politically contested change in an industry with strong incumbent representation.

Public acceptance is the variable least susceptible to engineering. Japanese consumers have historically been cautious about new transport technology and unforgiving of failures, and a single serious incident

BUSINESS

would set the programme back considerably.

Domestic manufacturers have pursued their own autonomous programmes with a generally more conservative posture, emphasising driver assistance over full autonomy.

Whether the target holds will depend on regulatory approval, on validation results from the current testing phase, and on the operators' own assessment of whether the system is ready for a city this demanding.

Japanese manufacturers have pursued autonomous development with a generally more conservative posture, emphasising driver assistance systems over full autonomy.

That caution reflects both liability exposure and a domestic market that has rewarded reliability over novelty.

Partnerships between technology firms and vehicle manufacturers have been the common structure, combining software capability with vehicle engineering and service networks.

BUSINESS

The Transformer Bottleneck Behind Hitachi's American Investment

By Kenta Sakamoto | Data & Visualization Reporter

Hitachi Energy's 82 billion yen Mississippi transformer plant addresses a shortage that has become one of the more consequential constraints on electricity infrastructure worldwide, and one that receives little attention relative to its effect.

Large power transformers step voltage up for long-distance transmission and down again for distribution. Without them the grid does not function, and they are built to order over timescales measured in years rather than months.

Lead times that once ran about a year have stretched considerably, with utilities in several markets reporting waits that complicate any project requiring a new grid connection.

Three demand sources converged to produce that. Ageing grid infrastructure across developed economies reaching replacement age simultaneously; renewable generation requiring transmission to places the existing grid was not built to serve; and data centres.

The data centre component has grown fastest. Facilities built for artificial intelligence training draw power at densities that earlier generations of computing did not approach, and each requires grid connection equipment.

Supply has not responded as quickly because transformer manufacturing is capital-intensive, requires specialised skills including winding and core assembly, and depends on grain-oriented electrical steel produced by a limited number of mills.

That steel is itself a bottleneck, and expanding its production carries the same multi-year lead times as the transformers it feeds.

For Japan the shortage has domestic relevance beyond any single company's investment, since grid expansion to connect renewable generation and to serve new semiconductor fabrication requires the same equipment.

Hitachi Energy's position derives from the acquisition of ABB's power grids business, a transaction that gave the group a global footprint in precisely the product category the current cycle requires.

Locating capacity in the United States serves both the largest market and the policy environment, with American industrial programmes favouring domestic manufacturing.

Construction and commissioning will take several years, placing output into a demand cycle that forecasters expect to persist.

The episode illustrates a broader point about energy transition: the constraints are frequently physical and industrial rather than financial or political.

BUSINESS

Chip-Linked Shares Sold Again as AI Doubts Persist

By Kenta Sakamoto | Data & Visualization Reporter

Some semiconductor-related stocks were sold in Tuesday's session, continuing pressure the sector has absorbed since reports that OpenAI would postpone its listing and the call from Anthropic's chief executive for a slowdown in artificial intelligence development.

Bill Gates has now added his own warning, telling Yomiuri Shimbun that AI carries greater risks than other technologies and expressing doubt about market-driven responses, which gives investors a third public intervention within a week.

The sector's shares function as a leveraged bet on the durability of AI capital expenditure, delivering outsized gains when the investment cycle looks secure and outsized losses when it does not.

Underlying demand indicators have not deteriorated correspondingly. Data centre construction continues and order books in semiconductor equipment operate on cycles considerably longer than a week of sentiment.

That gap between share price movement and order book reality is the argument the sector's defenders make, and it is reasonable, though it has been made before at levels that subsequently proved optimistic.

Japanese equipment makers occupy a position in the global supply chain out of proportion to the country's share of final chip production, supplying tools and materials that fabrication plants worldwide depend on.

Export controls on advanced equipment sales to China constrain a market that had represented meaningful revenue, and any shift agreed between Washington and Beijing this weekend reaches those companies without Japan being party to it.

Domestic fabrication investment, including projects in Kumamoto and Hokkaido, provides demand less exposed to the international cycle.

SoftBank Group's sharp recovery on Tuesday, after Monday's double-digit intraday fall, illustrates how much of the recent movement reflects positioning rather than revised assessment.

Rising long-term yields compound the pressure independently, since higher rates compress the valuations of companies whose returns lie furthest in the future.

BUSINESS

Three Decades On, Banks Rediscover the Interest Margin

By Kenta Sakamoto | Data & Visualization Reporter

Domestic long-term yields at levels last seen in September 1996 return Japanese banks to an environment most of their current staff have never worked in, and the effect on the sector runs in two directions at once.

Years of near-zero rates compressed the net interest margin, the gap between what banks pay depositors and earn on loans, which is the core of banking profitability everywhere.

Each step in the policy rate widens that margin on new lending, and the market's move to 3% on ten-year yields improves the return on the government bonds that dominate bank and insurer portfolios.

Japan's largest banks hold substantial deposit bases on which they pay very little, so higher lending rates flow to earnings with limited offsetting cost.

Regional banks benefit similarly while carrying greater exposure to the small businesses and agricultural borrowers for whom higher rates are a burden rather than a benefit.

Credit risk is the counterweight to the margin improvement. Borrowers who took on debt at near-zero rates face higher servicing costs as loans reprice, which tests lending decisions made during the easy years.

Real estate exposure draws particular attention given the land price data released this week, with Tokyo values up 7.9% across all uses and financing costs now rising against them.

The Financial Services Agency's announced rebuild of its inspection system, including specialised training and generative AI tools, arrives in the same week and addresses exactly this category of accumulated risk.

Depositors see the transition more slowly, with deposit rates rising modestly from their long stay near zero while borrowers feel the cost more promptly.

The Bank of Japan's decision this week will indicate how much further the normalisation extends, and the banking sector's share performance remains its clearest market signature.

BUSINESS

What Driverless Taxis Would Need Before Tokyo Says Yes

By Maya Suzuki | Science & Innovation Desk

Waymo and others targeting fully driverless taxi operation in Tokyo next year face a regulatory framework that has moved deliberately, and a set of approvals that remain individually granted rather than generally available.

Japanese law classifies automated driving by level, with legislation permitting higher levels of automation under defined conditions and prefectural public safety commissions granting the operational approvals within those limits.

The distinction between supervised testing and driverless service is where the regulatory weight sits. A vehicle with a safety driver is a test; one without is a transport service carrying passengers.

Liability allocation is the question that has occupied legislators most. When no driver is present, responsibility for an incident distributes among manufacturer, software provider, operator and, potentially, the remote monitoring centre.

Japan's approach has placed considerable weight on remote monitoring, requiring that a human be able to observe and intervene even when no one is aboard.

Data recording obligations apply, requiring vehicles to log the information needed to reconstruct an incident, which is what any liability determination will rest on.

The operational design domain, the defined conditions under which a system is approved to operate, determines where and when service can run. Approvals have generally been narrow.

Tokyo's road environment is demanding by any measure, with narrow streets, dense pedestrian and cycle traffic and a network laid out without grid regularity.

Left-hand traffic requires re-validation of behaviours learned in right-hand driving, which is more than a mirroring exercise in software terms.

The taxi industry's driver shortage supplies the economic rationale, and the industry's political representation supplies the resistance, a tension already visible in the contested partial deregulation of ride-hailing.

Public acceptance remains the variable least susceptible to engineering, and a single serious incident would set the programme back considerably.

BUSINESS

Japan's Own Grid Faces the Same Equipment Queue

By Kenta Sakamoto | Data & Visualization Reporter

Hitachi Energy's investment in American transformer capacity addresses a global shortage that constrains Japanese grid projects as much as it does projects abroad.

Japan's transmission network faces its own expansion requirement, driven by renewable generation located away from demand centres and by new industrial load from semiconductor fabrication.

The country's grid is divided between 50-hertz and 60-hertz regions, a legacy of nineteenth-century equipment purchases that has complicated power transfer between east and west ever since.

Frequency conversion capacity between the two has been expanded repeatedly, and each expansion requires exactly the kind of heavy electrical equipment now in short supply globally.

Offshore wind development, on which Japan has placed considerable policy weight, requires transmission connections from coastal generation to inland demand.

Semiconductor fabrication projects in Kumamoto and Hokkaido require grid connections sized for loads that the regional networks were not built to serve.

Data centre construction adds further demand, with operators competing for connections in the same queue as everything else.

Nuclear restarts, where they occur, use existing connections and therefore avoid this constraint, which is an underappreciated argument in their favour on timing grounds.

The Hamaoka withdrawal this week removes one such restart from the near-term picture, extending reliance on generation that requires fuel imports.

Equipment lead times measured in years mean grid constraints cannot be resolved by decision alone, which is a genuine limit on how quickly energy policy can change physical reality.

Domestic manufacturers including Hitachi, Toshiba and Mitsubishi Electric supply this equipment, and their order books reflect the same global demand that has stretched delivery schedules.

BUSINESS

The Loans Written at Zero Now Face a Different World

By Kenta Sakamoto | Data & Visualization Reporter

Higher interest rates improve bank margins on new lending and test the quality of lending decisions made when rates were near zero, and the second effect arrives more slowly than the first.

Borrowers who took on debt at minimal cost face higher servicing as loans reprice, and the affordability assessments made at origination assumed a rate environment that no longer applies.

Stress testing against higher rates has been applied unevenly across the market, which is precisely the kind of variation a supervisory regime exists to identify.

The Financial Services Agency's announced rebuild of its inspection system, including specialised personnel training and generative AI tools, arrives with that exposure in view.

Regional banks carry the most concentrated version of the risk, lending to small businesses and agricultural borrowers with thinner margins than metropolitan corporate clients.

Rice farming in particular has seen bankruptcies at record pace, a trend driven by input costs and demographics rather than interest rates but one that higher borrowing costs compound.

Real estate lending has drawn specific regulatory attention given land values that have risen for fourteen consecutive years in Tokyo against financing costs now moving the other way.

Property portfolios typically carry substantial debt financing, and the sensitivity of their economics to rate changes is direct rather than mediated.

The largest banks are better positioned, holding deposit bases on which they pay very little and diversified loan books that spread the risk.

Japan's banking sector consolidated substantially after the 1990s crisis, and the institutions that emerged carry capital positions considerably stronger than their predecessors did.

Whether that strength is tested depends on how far rates rise and how quickly, which is what the Bank of Japan's statement this week will begin to indicate.

BUSINESS

Why a Transformer Now Takes Years to Order

By Maya Suzuki | Science & Innovation Desk

The shortage that Hitachi Energy's Mississippi investment addresses has specific industrial causes, and understanding them explains why capacity cannot simply be added in response to price.

Large power transformers are built to order rather than held in stock, since each is specified for a particular voltage, capacity and installation.

Manufacturing involves winding conductors around a core of grain-oriented electrical steel, a specialised material produced by a limited number of mills worldwide.

That steel is itself a bottleneck. Expanding its production requires the same multi-year capital commitment as the transformers it feeds, and mills have been cautious about adding capacity for a demand spike that may not persist.

Skilled labour presents a further constraint, since winding and assembly require experience that cannot be recruited quickly.

Testing requirements add months, with each unit subjected to a protocol that verifies performance before it leaves the factory.

Transport is not trivial either. Large units weigh hundreds of tonnes and require specialised heavy haulage, route surveys and sometimes temporary infrastructure modification.

Demand has risen from three directions simultaneously: replacement of ageing grid infrastructure, connection of renewable generation,

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and the electricity requirements of data centres built for artificial intelligence.

The data centre component grew fastest and least predictably, with operators competing for grid connections and the equipment that makes them possible.

Utilities in several markets now report waits that complicate any project requiring a new connection, which turns an equipment shortage into a constraint on energy transition itself.

For Japan the shortage has domestic relevance beyond any single company's investment, since grid expansion for renewables and for semiconductor fabrication requires the same equipment.

BUSINESS

The Driver Shortage Behind Japan's Autonomous Push

By Kenta Sakamoto | Data & Visualization Reporter

Waymo's target of driverless taxi operation in Tokyo next year addresses a labour shortage that has reshaped the Japanese taxi industry and that predates any interest in autonomy.

Taxi driver numbers have fallen substantially over the past decade, with the workforce ageing and recruitment failing to replace those leaving.

The pandemic accelerated the decline sharply, as demand collapsed and drivers left the industry for work that did not depend on passenger volume returning.

Recovery in demand, driven substantially by inbound tourism, arrived faster than the workforce could be rebuilt, producing shortages visible to anyone attempting to hail a taxi in a major city.

Regional areas have faced a more acute version, with some communities losing taxi service entirely and local governments arranging alternatives.

Partial deregulation of ride-hailing followed, permitting private drivers to carry passengers under conditions that the established industry contested vigorously.

That compromise satisfied neither side fully, with the industry regarding it as an opening wedge and advocates regarding it as too constrained to address the shortage.

Autonomous operation offers a route past the labour constraint entirely, which is the economic rationale behind commercial interest in a technically demanding market.

Whether it arrives in time to matter depends on regulatory approval, validation results and public acceptance, none of which follows a predictable schedule.

The industry's own position on autonomy has been more accommodating than its position on ride-hailing, since autonomous fleets would be operated by licensed companies rather than by individuals.

BUSINESS

Three Eras of Japanese Financial Supervision

By Yuki Saito | Economics & Finance Reporter

The Financial Services Agency's announced rebuild of its inspection system is the latest turn in an approach to supervision that has been reinvented twice since the 1990s.

The first era ended with the banking crisis. Supervision sat within the Ministry of Finance, and the relationship between regulator and industry was close enough that problems went unaddressed until they became unmanageable.

The agency was established separately in response, and the second era was defined by adversarial, checklist-based inspection intended to ensure nothing was overlooked.

That approach produced thorough documentation and a compliance culture oriented toward surviving inspections rather than managing risk, which became the criticism of it.

The third era shifted toward dialogue-based supervision, emphasising engagement with management about business models and risk rather than verification against a list.

That shift addressed the checklist era's weakness and introduced its own, since supervision built on conversation depends heavily on the quality and expertise of the supervisors.

Specialised personnel training, announced as part of the current rebuild, addresses exactly that dependency.

The generative artificial intelligence component is the novel element, and its value depends entirely on whether output is verified rather than accepted.

The timing follows a genuinely changed environment, with rates normalising after decades near zero and the credit quality of loans written during the easy years yet to be tested.

Real estate exposure and regional bank concentration are the specific categories the rebuild appears aimed at.

BUSINESS

Domestic Fabrication Gives Equipment Makers a Steadier Customer

By Kenta Sakamoto | Data & Visualization Reporter

Japanese semiconductor equipment makers facing renewed share price pressure this week retain a source of demand less exposed to international sentiment: domestic fabrication investment.

Projects in Kumamoto and Hokkaido have drawn substantial public support alongside private capital, reflecting a policy judgment that domestic chip capacity is a matter of economic security.

That judgment followed supply disruptions during the pandemic that left Japanese manufacturers, particularly automakers, unable to obtain components produced elsewhere.

The resulting investment represents the most significant attempt to rebuild Japanese semiconductor capacity since the industry's decline from its 1980s position.

Equipment orders flow to domestic suppliers alongside international ones, and the geographic proximity carries advantages in installation, service and engineering support.

Regional economic effects have been substantial, with land values near the projects rising well before production begins and local labour markets tightening.

Those effects have their own costs, including housing pressure and infrastructure strain in communities that had been losing population.

Grid connection has emerged as a constraint, since fabrication plants draw power at levels regional networks were not built to supply.

Water supply presents a further requirement, with semiconductor manufacturing consuming large volumes of ultra-pure water.

Whether the investment produces a durable industry or a subsidised one is the question that will be answered over a decade rather than a quarter.

For equipment makers the immediate benefit is order flow insulated from the AI investment cycle's volatility.

BUSINESS

The Import Bill Sits at the Centre of the Trade Figures

By Kenta Sakamoto | Data & Visualization Reporter

August trade statistics released this morning arrive with energy costs and currency both working against the import side of the ledger.

Japan imports nearly all of the crude, liquefied natural gas and coal it burns, a dependence established by geology and one that has shaped economic strategy since the 1970s oil shocks.

Those shocks produced a sustained national effort toward efficiency, and Japanese industry remains among the world's most efficient per unit of output, which limits how much further efficiency can cushion a price move.

The trade balance has swung between surplus and deficit as energy prices moved, a sensitivity that increased when the nuclear fleet idled and imported fuel took up the generating load.

A weaker yen amplifies every element, since energy is priced in dollars and conversion happens before the cost reaches any Japanese buyer.

The export side depends on both currency and overseas demand, with automotive and semiconductor equipment the categories that move the aggregate most.

Currency weakness helps exporters in translated earnings without necessarily increasing volumes, a distinction that matters for what the data shows.

Semiconductor equipment exports face export controls on advanced tools to China, which constrain a market that had produced meaningful revenue.

Those controls may be affected by the Washington-Beijing meeting this weekend, without Japan participating in the discussion.

The Hamaoka withdrawal extends the period during which imported fuel carries the generating load nuclear capacity was expected to resume.

The Bank of Japan's board will have the trade figures when it convenes tomorrow.

COURTS

Five Years for Forcing Thai Girl, 12, Into Sexual Services

By Daisuke Ito | Investigations & Longform

The former owner of a massage parlour in Bunkyo Ward has been sentenced to five years in prison and fined one million yen for forcing a 12-year-old Thai girl to provide sexual services, according to Mainichi Shimbun. The Tokyo District Court handed down the ruling.

The case sits at the intersection of child exploitation and human trafficking, categories Japanese law treats through several overlapping statutes covering child welfare, prostitution and the employment of minors.

Japan has faced sustained international criticism over its handling of trafficking cases, with successive United States State Department assessments noting gaps between the scale of the problem and the number of prosecutions brought.

The specific pattern here, a foreign minor brought into Japan and exploited through a business operating under a legitimate commercial cover, is among the most frequently documented forms the offence takes.

Massage establishments have been a recurring venue in such cases, since the licensing regime distinguishes between legitimate services and those offering sexual services in ways enforcement has found difficult to police consistently.

Victims in these cases are frequently unable to seek help, constrained by language, by immigration status, by debt arrangements and by isolation from anyone outside the operation.

Support systems for foreign trafficking victims in Japan have expanded but remain limited, with non-governmental organisations carrying much of the work of shelter and repatriation.

A five-year sentence and a one million yen fine will be read by advocates against the gravity of exploiting a 12-year-old, and sentencing practice in trafficking cases has been among their consistent criticisms.

Japanese courts weigh guilty pleas, restitution and the absence of prior convictions in ways that produce sentences below what comparable jurisdictions impose for equivalent conduct.

Whether prosecutors appeal, and whether related charges follow against others involved in the operation, will determine how far the case extends beyond the single conviction announced.

Japan's legal framework addresses trafficking through several overlapping statutes rather than a single consolidated offence, which advocates have argued complicates prosecution.

Child welfare legislation, prostitution law and provisions on employing minors each cover part of the conduct, and charging decisions determine which penalties apply.

International assessments have repeatedly recommended consolidation, and Japanese authorities have responded with procedural changes rather than statutory restructuring.

COURTS

Driver Indicted Over Fatal Crash Linked to Untreated Sleep Apnea

By Daisuke Ito | Investigations & Longform

A 34-year-old man has been indicted at home on a charge of dangerous driving resulting in death, with the interruption of treatment for sleep apnea cited as the cause, according to Sankei News. The Tokyo District Public Prosecutors Office brought the charge.

Indictment at home, rather than following arrest and detention, indicates prosecutors concluded the defendant presented no flight risk and no danger of destroying evidence, a judgment that says nothing about the seriousness of the charge itself.

Dangerous driving resulting in death carries substantially heavier penalties than negligent driving causing death, and the distinction turns on whether the driver knowingly created the risk rather than merely failing to avoid it.

The interruption of treatment is the fact on which the charge rests. A driver diagnosed with a condition known to cause sudden sleep onset, prescribed treatment and then ceasing it, presents a different culpability picture from one whose condition was undiagnosed.

Obstructive sleep apnea interrupts breathing repeatedly during sleep, fragmenting rest and producing daytime somnolence that sufferers frequently underestimate because the interruptions themselves are not remembered.

Continuous positive airway pressure equipment is the standard treatment and is highly effective when used consistently, which makes compliance the central evidential question in cases of this kind.

The condition's relevance to transport safety entered Japanese public awareness in 2003, when a Shinkansen driver was found to have dozed at the controls, prompting screening requirements across several transport sectors.

Those requirements apply to professional operators rather than to ordinary licence holders, which is the regulatory gap this prosecution occupies.

Japan's dangerous driving statute has been strengthened following several high-profile fatal cases, expanding the circumstances in which the heavier charge applies, and medical conditions have featured in that expansion.

The case will test how courts treat a driver's knowledge of an untreated condition, and its outcome may inform whether screening obligations are extended beyond professional drivers.

COURTS

Two Arrested Eight Years On Under Japan-South Korea Extradition Treaty

By Daisuke Ito | Investigations & Longform

Two South Korean nationals who had been internationally wanted in connection with an attempted robbery in Taito Ward eight years ago have been arrested under the Japan-South Korea Extradition Treaty, according to Mainichi Shimbun and Sankei Shimbun.

Eight years is a long interval between offence and arrest, and it illustrates both the difficulty of pursuing suspects who leave the jurisdiction and the persistence of the mechanisms that eventually reach them.

International wanted notices, circulated through Interpol, remain active until executed or withdrawn, which means a suspect who returns to normal life in another country continues to carry an unresolved legal exposure.

The Japan-South Korea Extradition Treaty, in force since 2002, established a bilateral framework that removed much of the case-by-case diplomacy that extradition previously required between the two countries.

Extradition treaties typically require that the conduct constitute a crime in both jurisdictions and exclude offences deemed political, conditions that ordinary robbery satisfies without difficulty.

The practical work in such cases falls to police liaison arrangements, with the National Police Agency maintaining channels to counterpart forces that handle the identification and location work.

Cross-border crime between Japan and South Korea has grown alongside the volume of travel between them, encompassing property offences, fraud and, increasingly, cases connected to online activity.

Prosecution will now proceed in Japan, with the eight-year gap raising evidential questions about witness availability and recollection that the passage of time inevitably produces.

Japan's statute of limitations for attempted robbery would not have expired within this period, which is what preserved the prosecution's viability.

The case will be handled through the ordinary criminal process once the suspects are before a Japanese court.

COURTS

COURTS

Man, 71, Arrested Over Leaflets Targeting Lawmaker

By Daisuke Ito | Investigations & Longform

A 71-year-old man has been arrested on suspicion of insult for distributing leaflets slandering Liberal Democratic Party House of Representatives member Eiri Alfiya, according to Yomiuri Shimbun.

Insult is a distinct offence in Japanese criminal law, separate from defamation, covering public disparagement that does not allege specific facts. Penalties for it were strengthened in 2022 following sustained debate about online abuse.

That strengthening followed the death of a television personality subjected to sustained online harassment, a case that prompted legislation and a broader public argument about the limits of permissible criticism.

The strengthened penalties drew objection at the time from press freedom advocates and legal scholars, who warned that an expanded insult offence could chill legitimate criticism of public figures.

Politicians occupy a contested position in that argument. Democratic accountability requires that elected officials face criticism, while nothing in that principle extends to abuse unconnected to their conduct in office.

Where the line falls between the two is the question any prosecution of this kind raises, and it is answered case by case rather than by any general rule.

Physical leaflet distribution is an older method than the online abuse the 2022 revision targeted, though the offence applies regardless of medium.

Japanese election law separately regulates campaign literature with considerable specificity, but distribution outside a campaign period falls under general criminal law rather than those provisions.

Arrest at this stage means prosecutors will decide whether to indict, and the content of the leaflets will determine whether the conduct meets the statutory threshold.

Alfiya has not commented publicly on the arrest.

COURTS

Insult, Defamation and the Line Around Political Criticism

By Daisuke Ito | Investigations & Longform

The arrest of a 71-year-old man over leaflets targeting a Liberal Democratic Party lawmaker turns on the offence of insult, a provision distinct from defamation in Japanese criminal law and one whose penalties were strengthened in 2022.

Defamation covers statements alleging specific facts that damage reputation, and truth can serve as a defence where the matter concerns the public interest.

Insult covers public disparagement that alleges no specific fact, which removes the truth defence entirely since there is no factual claim to verify.

That structural difference is what makes the insult provision contentious. A statement of pure opinion, however harsh, cannot be defended by demonstrating its accuracy.

Penalties were raised in 2022 following the death of a television personality subjected to sustained online harassment, a case that prompted both legislation and a broader argument about the limits of permissible criticism.

Press freedom advocates and legal scholars objected at the time, warning that an expanded insult offence risked chilling legitimate criticism of public figures.

Proponents argued that the previous penalties were too light to deter conduct that had produced demonstrable harm, and that the offence's requirements would confine it to genuine abuse.

Politicians occupy the most contested position in that argument, since democratic accountability requires that elected officials face criticism while nothing in that principle protects abuse unconnected to their office.

Japanese courts have generally afforded wider latitude for criticism of public figures on matters of public concern, following a reasoning familiar from other jurisdictions.

Where a particular leaflet falls is determined case by case on its content, which is what prosecutors will now assess before deciding whether to indict.

Election law separately regulates campaign literature with considerable specificity, though distribution outside a campaign period falls under general criminal law.

The case will be watched by those who raised concerns about the 2022 revision, since prosecutions involving political criticism are precisely the scenario they described.

SOCIETY

Centenarians Pass 100,000 for the First Time

The count reached 107,677, a 56th consecutive annual increase, with women making up roughly nine in ten

By Emi Kondo | Society & Local News Reporter

The number of people in Japan aged 100 or older has reached 107,677, exceeding 100,000 for the first time and marking a 56th consecutive year of increase, according to Ministry of Health, Labour and Welfare figures reported by Japan Agricultural News. Women account for approximately 90% of the total.

Fifty-six consecutive years is the figure that gives the milestone its context. The count has risen every year since the survey began in 1963, when Japan recorded 153 centenarians nationwide.

From 153 to 107,677 across six decades describes one of the most complete transformations any society has undergone in the span of a single lifetime, and it happened without any single dramatic event to mark it.

The causes are well documented and undramatic: sustained improvements in nutrition and public health, universal health insurance achieved in 1961, low rates of obesity and cardiovascular disease relative to other wealthy countries, and a diet and activity pattern that has changed more slowly than elsewhere.

The gender gap is the most striking feature of the distribution. Women outliving men is universal across populations, but a ratio of roughly nine to one at age 100 is at the wide end of what is observed internationally.

Explanations combine biology with history. The generation now reaching 100 includes men whose early lives coincided with the war and its aftermath, and whose subsequent working lives involved smoking rates and occupational stress that their female contemporaries largely did not share.

Okinawa held a particular place in longevity research for decades, with its centenarian rate among the highest recorded anywhere, though that advantage has narrowed as dietary patterns in the prefecture converged with the mainland.

The practical consequences of the milestone reach into care provision, pension arithmetic and the labour market. A population with more than 100,000 people past their hundredth birthday requires care capacity that Japan has been building for decades and still finds insufficient.

Long-term care insurance, introduced in 2000, was designed for exactly this trajectory, and its financing has been adjusted repeatedly as the covered population expanded faster than the contributing one.

Family structures have changed alongside the demographics. The multi-generational household that once absorbed elder care has given way to nuclear and single-person households, shifting the burden toward formal services.

The government marks the milestone each September with silver cups presented to those turning 100, a custom that has itself been scaled back as the numbers grew beyond what the original gesture anticipated.

Behind the aggregate sits the other half of the demographic equation. A record centenarian count arrives alongside a birth rate that has continued falling, and it is the ratio between those two figures rather than either alone that shapes the country's fiscal future.

The survey has been conducted each September since 1963, timed to Respect for the Aged Day, which gives the series an unbroken sixty-three year record.

Prefectural variation persists, with Shimane, Kochi and Tottori among those recording the highest rates per head of population and metropolitan prefectures among the lowest.

That pattern reflects migration as much as longevity, since younger residents leaving rural prefectures raises the proportion of older people who remain.

Research into Japanese longevity has examined diet, physical activity, social connection and the universal health insurance introduced in 1961, without isolating any single factor as decisive.

SOCIETY

Utility Employee's Death Prompts Family Demand for Harassment Inquiry

By Emi Kondo | Society & Local News Reporter

A Shikoku Electric Power transmission and distribution employee fell to his death, and a note alleging power harassment was found. The family is demanding an investigation, according to Yomiuri Shimbun.

Power harassment, the term Japanese workplaces use for abuse of authority by a superior, has been a recognised legal category since legislation obliging employers to prevent it took effect for large companies in 2020 and for smaller ones in 2022.

That legislation requires firms to establish consultation channels, investigate complaints and avoid disadvantaging employees who raise them. It does not by itself change the workplace cultures in which the behaviour occurs.

Utilities and infrastructure operators have particular characteristics relevant here. Transmission and distribution work is technical, hierarchical and safety-critical, conditions that can make a demanding supervisory style difficult to distinguish from an abusive one.

A note left by the deceased naming harassment as a cause establishes the family's case for an inquiry without establishing the facts, which is precisely what an investigation exists to determine.

Japanese companies facing allegations of this kind have increasingly commissioned third-party committees, a practice that emerged from corporate scandal responses and has been extended to workplace deaths.

The credibility of such committees depends on their independence and on whether their findings are published, both of which vary considerably in practice.

Workplace deaths attributed to overwork or harassment can be recognised as industrial accidents by labour standards inspection offices, a determination that carries compensation consequences and a formal acknowledgment families often value as much.

That recognition process has historically been slow and demanding on bereaved families, requiring them to assemble evidence about working conditions they did not directly observe.

Shikoku Electric Power has not issued a detailed public account, and the family's demand for an investigation is the point at which the matter now stands.

Industrial accident recognition for a death attributed to harassment requires labour standards inspectors to establish a causal connection between working conditions and the outcome.

That determination carries compensation consequences and a formal acknowledgment that bereaved families frequently describe as mattering as much as the payment.

The process has historically placed a heavy evidential burden on families, requiring them to document conditions they did not directly observe.

SOCIETY

Boy, 5, Dies in Fall From Eleventh-Floor Apartment in Kita Ward

By Emi Kondo | Society & Local News Reporter

A five-year-old boy has died after falling from the eleventh floor of an apartment building in Kita Ward, Tokyo, according to Yomiuri Shimbun.

Falls from height are among the leading causes of accidental death for young children in Japan, and the pattern is consistent enough that consumer safety authorities have issued repeated guidance about it.

The circumstances that produce them are well documented. Children climb, furniture positioned near windows or balcony railings provides the height they need, and the interval required is very short.

Japanese apartment construction places balconies on most units, and they serve as drying space for laundry in a way that means doors are opened routinely rather than occasionally.

Balcony railings meet building code height requirements calculated for adults, and those requirements do not anticipate a child standing on an object placed against them.

Consumer Affairs Agency guidance has focused on the practical measures that address the mechanism: keeping furniture, storage boxes and air conditioning units clear of railings and window openings, and using window locks that a young child cannot operate.

Awareness campaigns run each year as the weather warms and windows are opened more frequently, though incidents continue across the calendar.

Police typically conduct a routine investigation in cases of this kind to establish the circumstances, a process that carries no implication about the family involved.

Local authorities in some wards have distributed window safety devices to households with young children, a small intervention that addresses the specific failure mode most of these incidents share.

No further details have been released, and the ward has not indicated whether any review of the building's safety provisions will follow.

SOCIETY

Nara Police Reprimand Superintendent Over Harassment of Colleague

By Emi Kondo | Society & Local News Reporter

Nara Prefectural Police have reprimanded a police superintendent in his fifties for sexually harassing a female employee by hugging her, according to Mainichi Shimbun.

A reprimand sits at the lower end of the disciplinary scale available to Japanese police forces, which runs from admonition through pay reduction and suspension to dismissal.

The choice of sanction in harassment cases has drawn recurring criticism, with advocates arguing that penalties at the lower end signal a tolerance the formal policies disclaim.

Police organisations present a particular difficulty for harassment complaints given their hierarchical structure and the career consequences a junior officer or civilian employee may fear from raising one.

A superintendent is a senior rank, which sharpens the power differential at the centre of the complaint and the difficulty the complainant faced in pursuing it.

National Police Agency guidance requires prefectural forces to maintain consultation channels and to handle complaints without disadvantage to those who bring them, requirements whose effectiveness depends on local implementation.

Japanese workplace harassment law obliges employers to take preventive measures, and public sector bodies are subject to the same obligations as private ones.

Disclosure of disciplinary actions varies between prefectural forces, and cases become public through a mixture of official announcement and press inquiry.

The employee's own position following the complaint has not been reported, and that outcome is frequently the measure by which the adequacy of an institutional response is judged.

Nara Prefectural Police have not indicated whether any broader review of harassment handling will follow.

SOCIETY

Metropolitan Government Building Collects 10,000 Lithium Batteries in 80 Days

By Emi Kondo | Society & Local News Reporter

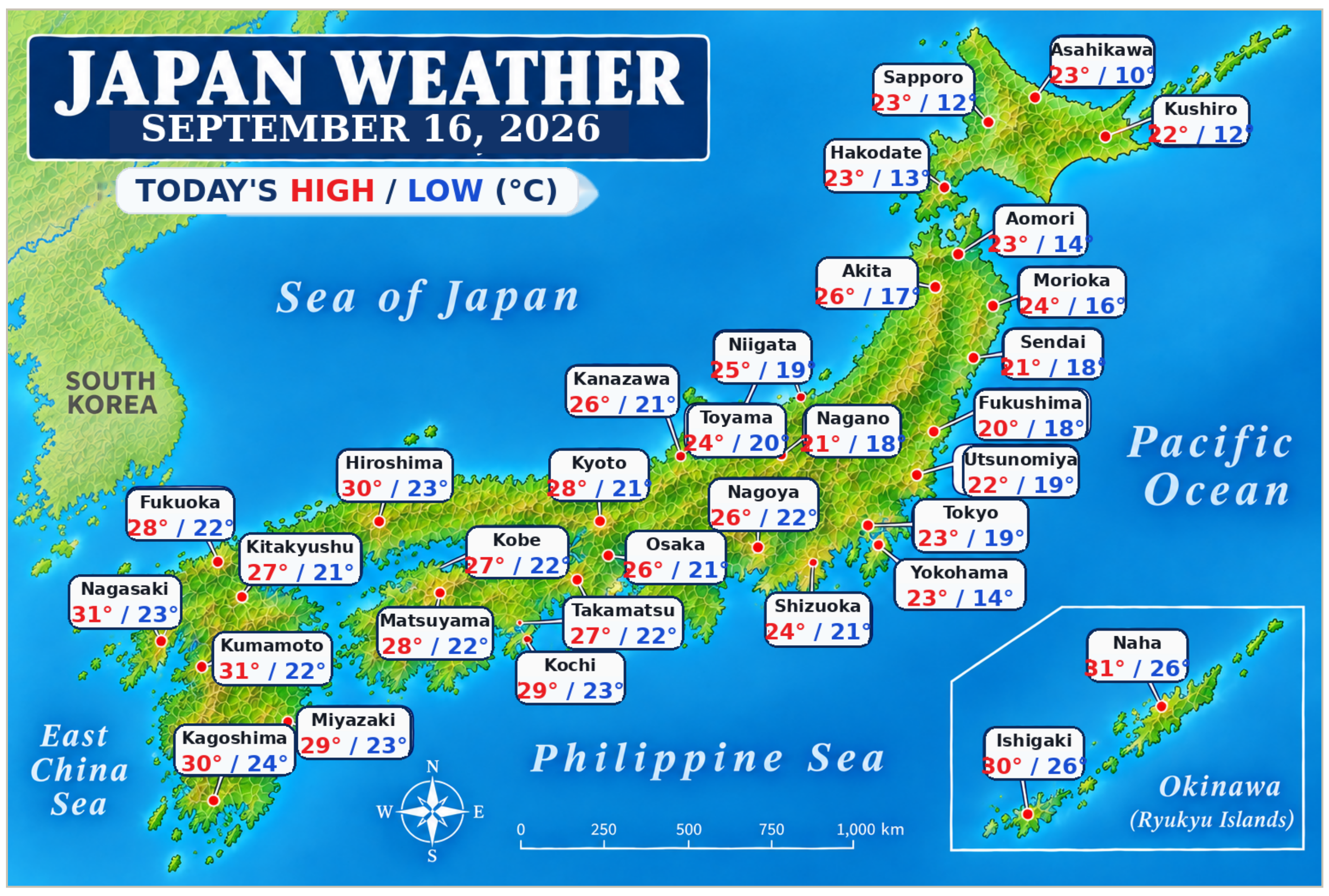
More than 10,000 lithium-ion batteries have been collected at the Tokyo Metropolitan Government Building over 80 days under a recall programme, according to Yomiuri Shimbun.

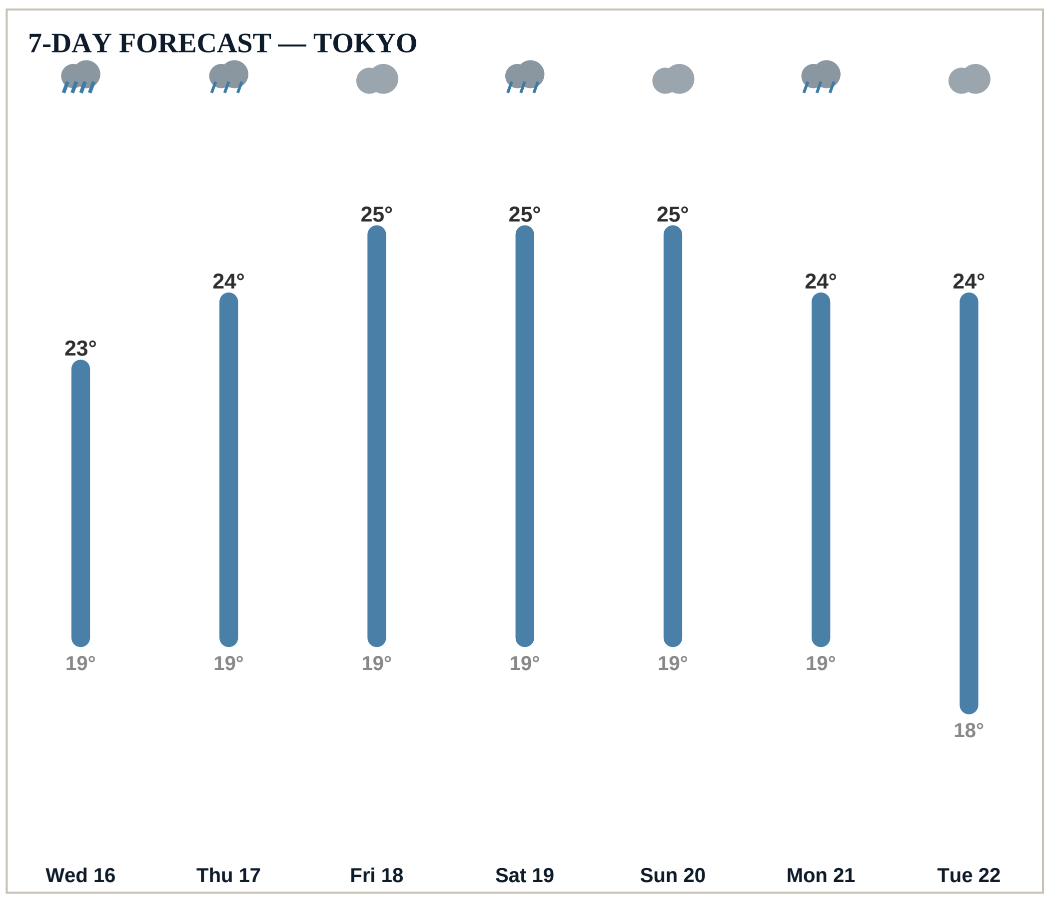
The volume is the point. More than a hundred batteries a day arriving at a single collection site indicates both the quantity of such batteries in circulation and the absence, until recently, of a convenient route for disposing of them.

Lithium-ion batteries have become a significant fire hazard in waste processing, igniting when crushed or punctured in collection vehicles and at sorting

WEATHER & SOCIETY

23°C Tokyo — Heavy rain and thunderstorms; high 23°C in a cool northerly wind





TOKYO METROPOLITAN AREA — Wednesday, September 16, 2026

Morning: Rain, locally heavy with thunderstorms in the early hours. High probability of precipitation from morning through midday. Around 20°C at 7 a.m. Sunrise 5:24 a.m.

Afternoon: Rain continuing, high 23°C, several degrees below Tuesday and feeling cooler still in a northerly wind.

Evening: Rain easing to cloud, around 20°C by 9 p.m. Sunset 5:47 p.m.

Overnight: Cloudy, low 19°C. Rain gear advised throughout the day.

NATIONAL OVERVIEW

The autumn rain front is stalled south of Japan, bringing heavy rain from morning along the Pacific side, from southern Kyushu through Shikoku, Kinki, Tokai and Kanto to southern Tohoku. Rain may intensify in places, accompanied by thunderstorms. The Sea of Japan side will be mostly cloudy but is likely to see some sunshine. Hokkaido is relatively calm.

WARNINGS AND ADVISORIES

The Japan Meteorological Agency has drawn attention to insufficient sunshine and prolonged rain across southern Tohoku and the Pacific coast of eastern Japan. Caution is advised against flooding and heavy rainfall. A tropical depression may develop into a typhoon, raising the prospect of unstable weather through Silver Week.

UV INDEX & AIR QUALITY

UV Index: 2 (Low) in Tokyo under heavy cloud and rain. Air Quality Index: Good nationwide, assisted by rainfall. Pollen: Negligible.

TODAY'S HIGH / LOW BY REGION (°C)

Hokkaido — Sapporo 23/12, Asahikawa 23/10, Kushiro 22/12, Hakodate 23/13: the calmest conditions in the country, sunny to cloudy, with the coolest nights nationally.

Tohoku — Aomori 23/14, Morioka 24/16, Akita 26/17, Sendai 21/18, Fukushima 20/18: the southern half under prolonged rain, with Sendai and Fukushima among the coolest daytime readings on Honshu.

Chubu & Hokuriku — Niigata 25/19, Toyama 24/20, Kanazawa 26/21, Nagano 21/18, Nagoya 26/22: the Sea of Japan side seeing some sunshine, the Tokai side under rain.

Kanto — Utsunomiya 22/19, Tokyo 23/19, Yokohama 23/14, Shizuoka 24/21: rain through the day, heavy at times, with temperatures several degrees below Tuesday.

Kansai — Kyoto 28/21, Kobe 27/22, Osaka 26/21: rain intensifying at times, warmer than Kanto.

Shikoku — Takamatsu 27/22, Kochi 29/23, Matsuyama 28/22: rain on the Pacific side, with Kochi among the day's warmer readings.

Chugoku & Kyushu — Hiroshima 30/23, Kitakyushu 27/21, Fukuoka 28/22, Nagasaki 31/23, Kumamoto 31/22, Miyazaki 29/23, Kagoshima 30/24: heavy rain in southern Kyushu, with Nagasaki and Kumamoto the warmest readings nationally.

Okinawa — Naha 31/26, Ishigaki 30/26: warm and humid, outside the front's main influence.

SEVEN-DAY EXTENDED FORECAST FOR TOKYO

Thursday, Sept. 17: High 24°C, low 19°C. Cloudy with rain at times. Cabinet reshuffle expected. Bank of Japan's two-day meeting begins.

Friday, Sept. 18: High 25°C, low 19°C. Cloudy. Bank of Japan policy decision expected.

Saturday, Sept. 19: High 25°C, low 19°C. Cloudy with periods of rain. Silver Week begins.

Sunday, Sept. 20: High 25°C, low 19°C. Cloudy, unsettled.

Monday, Sept. 21: High 24°C, low 19°C. Rain at times. Respect for the Aged Day.

Tuesday, Sept. 22: High 24°C, low 18°C. Cloudy.

Wednesday, Sept. 23: High 24°C, low 18°C. Cloudy. Autumn Equinox Day.

EXTENDED OUTLOOK (September 17-23)

The stalled front is expected to keep unsettled conditions across the Pacific side into the weekend, with the possible development of a tropical depression into a typhoon adding uncertainty through Silver Week. Forecasters advise those planning holiday travel to monitor advisories, particularly for the equinox weekend. Temperatures across Honshu are expected to remain in the mid-20s, well down from the late-summer levels that held through the first half of September.

THE AUTUMN RAIN FRONT

Japan's autumn rain season arrives as the Pacific high retreats and cooler continental air advances, with the boundary between them forming the front now stalled south of the archipelago. A stationary front delivers more cumulative rainfall to the same areas than one moving through at normal pace. Ground saturation converts persistent rain into landslide risk, which is why advisories emphasise evacuation timing rather than rainfall totals alone.

ALMANAC

Today's sunrise: 5:24 a.m. Today's sunset: 5:47 p.m. Day length: 12 hours, 23 minutes, shortening by roughly two minutes daily as the autumnal equinox approaches on the 23rd. Moon phase: Waxing crescent. Tokyo Bay tide times: high tide 12:08 p.m.; low tide 6:02 a.m. and 6:41 p.m. Barometric pressure: 1006 hPa, falling.

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facilities, and the number of such fires has risen across Japan as the batteries have proliferated.

They are now embedded in devices that consumers do not think of as battery products, including portable fans, illuminated shoes, electronic cigarettes and a wide range of cheap imported goods.

Municipal waste systems in Japan are built on detailed household sorting, and their effectiveness depends on residents knowing which category an item belongs to. Batteries hidden inside disposable products defeat that.

Fires at waste facilities carry costs beyond the immediate damage, taking processing capacity offline and exposing workers to risk in a sector that has struggled to recruit.

Manufacturers bear responsibility under recycling legislation for certain categories of product, though enforcement against low-cost imported goods sold online has proved difficult.

Collection programmes of the kind the metropolitan government has run address the symptom by giving residents a place to take the batteries, which is necessary and does not reduce the number entering the market.

The metropolitan government has promoted the scheme through its wards, and the 80-day figure suggests demand has considerably exceeded what a pilot programme would have anticipated.

Whether collection is extended and to which sites will determine how much of the circulating stock the programme actually reaches.

SOCIETY

A Record Centenarian Count Meets a Care System Under Strain

By Emi Kondo | Society & Local News Reporter

The centenarian population passing 100,000 is a public health achievement and a care planning problem, and the second follows directly from the first.

Long-term care insurance, introduced in 2000, was designed for the demographic trajectory now arriving, funding services through a combination of premiums from those over 40, general taxation and user co-payment.

The system's financing has been adjusted repeatedly since, with premiums rising and co-payment rates increased for higher-income users, adjustments that address the arithmetic without changing its direction.

Staffing rather than funding is the binding constraint. Care work is physically demanding, comparatively low-paid and competing for labour against every other sector facing the same shortage.

Wage improvements for care workers have been legislated at intervals, and the sector's pay still trails the national average, which is the gap recruitment efforts run into.

Foreign workers have been recruited into care through several visa categories, and the sector has become one of the most visible sites of Japan's gradual opening to overseas labour.

Family care continues to carry a substantial share of the load, and the people providing it are themselves ageing, with care by the elderly of the elderly a recognised category in Japanese policy discussion.

Facility capacity has expanded but waiting lists persist in metropolitan areas, where land costs make new construction expensive and where the population requiring care is largest.

Technology has been promoted as part of the answer, with monitoring systems, lifting assistance and communication tools all deployed, though none substitutes for the human presence that care fundamentally requires.

The 56 consecutive annual increases in the centenarian count describe a trajectory that shows no sign of reversing, which means capacity planning must assume continued growth rather than a plateau.

Regional variation compounds the difficulty, since the areas with the oldest populations are frequently those with the fewest working-age residents to staff their services.

The milestone reached this week is worth marking as an achievement. The planning question it poses is the one that determines whether reaching 100 in Japan continues to mean what those now reaching it would hope.

Care facility construction faces the same equipment and labour constraints as other building work, with costs rising and completion timelines extending.

Metropolitan land costs compound the difficulty, making facility construction most expensive exactly where demand is highest.

Some municipalities have converted vacant schools and other surplus public buildings to care use, an approach that addresses land cost while inheriting building layouts designed for other purposes.

SOCIETY

Tropical Depression May Reach Typhoon Strength Over Silver Week

By Emi Kondo | Society & Local News Reporter

Forecasters have raised the possibility that a tropical depression will develop into a typhoon, bringing unstable weather through Silver Week, according to advisories reported alongside the Japan Meteorological Agency's morning guidance.

The warning arrives with the autumn rain front already stalled south of the archipelago and heavy rain forecast along the Pacific side from southern Kyushu to southern Tohoku.

A developing system approaching ground already saturated by days of frontal rain is the combination disaster management officials watch for, since the second event lands on conditions the first created.

Silver Week concentrates domestic travel into a short period, with the Respect for the Aged Day and Autumn Equinox holidays drawing households onto the transport network at volume.

Many of those journeys are grave visits during higan, the equinox observance, which proceed in most weather because their purpose is not recreational.

Transport operators plan capacity around the period, and weather disruption during it produces cancellations and rebooking at a scale that ordinary weekends do not generate.

The Japan Meteorological Agency has separately drawn attention to insufficient sunshine and prolonged rain across southern Tohoku and the Pacific coast of eastern Japan.

Prolonged rain without sunshine carries agricultural consequences as well, affecting crops in the final stages before autumn harvest.

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Advisories on flooding and heavy rain are in effect, and residents in vulnerable areas are advised to act on the earlier tiers of the municipal alert scale rather than waiting for the most severe.

Whether the depression develops, and where it tracks if it does, will become clearer over the coming days as the system's structure resolves.

Typhoon season in the western Pacific runs through the autumn, with September and October historically producing systems that affect Japan.

A depression developing near Japan gives less warning than one forming further south and tracking north over several days.

Forecast confidence about track and intensity improves considerably within 48 hours, which is the window in which travel decisions are typically made.

SOCIETY

Higan Approaches Under an Uncertain Forecast

By Naomi Kato | Culture & Society Editor

The Autumn Equinox Day that anchors Silver Week falls on the 23rd, and the week surrounding it carries observances that proceed largely independent of the weather forecast now clouding the holiday period.

Higan, the seven-day period centred on the equinox, is observed twice a year and is associated with visits to family graves, the cleaning of memorial sites and offerings to ancestors.

The word refers to the other shore, the far side of the river separating this world from the next in Buddhist imagery, and the equinox's balance of day and night has long been read as a moment of nearness between them.

Ohagi, sweet rice dumplings coated in red bean paste, are the food most associated with the autumn observance, their name drawn from the bush clover that blooms in the season.

Grave visits typically involve cleaning the site, replacing flowers, lighting incense and a period of quiet, practices that vary in detail by region and family but share a common shape.

Temples hold services during the period, and attendance is one of the ways households with limited religious engagement through the rest of the year maintain a connection to it.

The public holiday's formal name refers to reverence for ancestors and remembrance of the departed, language adopted after the war that preserved the observance while removing its earlier framing.

Because much Silver Week travel is organised around a grave visit rather than a leisure destination, forecasts of rain reshape holiday plans less than they would in other countries.

Cemeteries and temple grounds see their heaviest visitor traffic of the year during the two higan periods, with some municipalities arranging additional transport.

The equinox date is calculated by the National Astronomical Observatory and confirmed by the government each February, and it can shift by a day between years.

For families dispersed by work and education, the equinox week is one of the fixed points at which reunion is expected, a function it shares with the New Year and the summer Obon period.

SOCIETY

The Insurance System Built for the Demographics Now Arriving

By Emi Kondo | Society & Local News Reporter

Long-term care insurance, introduced in 2000, was designed in anticipation of exactly the demographic position the centenarian milestone announced this week describes, and its financing has been adjusted repeatedly since.

The system enrols everyone aged 40 and above as contributors, with benefits available from 65 and, for certain conditions, earlier.

Funding splits roughly evenly between insurance premiums and public money drawn from national and local taxation, with users paying a co-payment that has risen for higher-income recipients.

Services are assessed through a certification process that places applicants on a scale of care need, determining what they are entitled to rather than simply whether they qualify.

That certification produces its own administrative burden and its own contested decisions, since the boundary between care levels determines substantial differences in available support.

Home-based services form the larger share of provision by design, reflecting both cost and a policy preference for allowing people to remain in their own homes.

Facility care carries waiting lists in metropolitan areas where land costs make construction expensive and where the population needing care is largest.

Staffing rather than funding has become the binding constraint, with care work competing for labour against every other sector facing the same shortage and paying below the national average.

Foreign workers have been recruited through several visa categories, making care one of the most visible sites of Japan's gradual opening to overseas labour.

Family care continues to carry a substantial share, and the people providing it are themselves ageing, a pattern recognised in policy discussion as care by the elderly of the elderly.

The 56 consecutive annual increases in the centenarian count describe a trajectory with no visible reversal, which means capacity planning assumes growth rather than a plateau.

Whether the system's financing holds without further adjustment is the question each successive revision has postponed rather than settled.

SOCIETY

What Japan's Power Harassment Law Requires, and What It Does Not

By Emi Kondo | Society & Local News Reporter

The family of the Shikoku Electric Power employee who fell to his death is demanding an investigation into alleged power harassment, and the legal framework governing such claims is more recent than the conduct it addresses.

Legislation obliging employers to prevent power harassment took effect for large companies in 2020 and for smaller ones in 2022, establishing a duty of prevention rather than a criminal offence.

The law defines the conduct by three elements taken together: it occurs within a superior relationship, it exceeds what is necessary for business, and it harms the working environment of the person subjected to it.

That third element is what distinguishes demanding management from abuse, and it is also what makes individual cases difficult to assess from outside.

Employers must establish consultation channels, investigate complaints, take appropriate action and avoid disadvantaging employees who raise them.

What the law does not do is create a direct criminal penalty for the conduct itself. Redress runs through civil claims, labour standards processes and, where a death is involved, industrial accident recognition.

Industrial accident recognition for deaths attributed to harassment or overwork carries compensation and a formal acknowledgment that families frequently value as much as the payment.

That process has historically been demanding on bereaved families, requiring them to assemble evidence about working conditions they did not directly observe.

Third-party investigation committees have become a common corporate response, and their credibility depends on genuine independence and on whether findings are published.

Workplaces that are hierarchical, technical and safety-critical present particular difficulty, since a demanding supervisory style and an abusive one can look similar from outside.

Awareness of the category has grown considerably, and reported consultations have risen accordingly, though reporting increases do not distinguish between more incidents and more willingness to raise them.

The outcome in the Shikoku Electric case will turn on what an investigation establishes, which is what the family has asked for.

SOCIETY

The Battery in the Bin: A Waste Problem Hidden Inside Cheap Goods

By Emi Kondo | Society & Local News Reporter

More than 10,000 lithium-ion batteries collected at the Tokyo Metropolitan Government Building in 80 days points to a waste stream that municipal systems were not designed to handle and that consumers frequently cannot identify.

The hazard is specific. Lithium-ion cells ignite when crushed or punctured, which is exactly what happens in a collection vehicle's compactor or at a sorting facility.

Fires at waste facilities have risen across Japan as the batteries have proliferated, taking processing capacity offline and exposing workers to risk in a sector already struggling to recruit.

Proliferation is the word that matters. The batteries are now embedded in products consumers do not think of as battery goods: portable fans, illuminated footwear, electronic cigarettes, novelty items and a wide range of inexpensive imports.

Japanese municipal waste systems depend on detailed household sorting, and their effectiveness rests on residents knowing which category an item belongs to. A battery hidden inside a disposable product defeats that entirely.

Recycling legislation places responsibility on manufacturers for certain product categories, and enforcement against low-cost goods sold through online marketplaces has proved considerably harder than against domestic makers.

Collection programmes address the symptom by providing a route for disposal, which is necessary and does not reduce the volume entering the market.

The 80-day figure suggests demand far exceeding what a pilot scheme would have anticipated, which is itself useful information about the scale of accumulated stock in households.

Retailers in several categories accept batteries for recycling under existing arrangements, though awareness of those routes is uneven.

Designing products so that batteries can be removed rather than sealed in would address the problem at source, and regulation in other jurisdictions has begun moving in that direction.

Whether collection is extended to more sites will determine how much of the circulating stock the programme actually reaches.

SOCIETY

Five Levels, and Why Officials Say Not to Wait for the Fifth

By Emi Kondo | Society & Local News Reporter

With heavy rain forecast along the Pacific side and advisories in effect against flooding, the five-level alert scale municipalities use to convert weather information into instruction is again the framework residents will encounter.

Level 1 signals early attention, indicating conditions may develop. Level 2 asks residents to check evacuation routes and prepare.

Level 3 begins action for those who need more time, calling on older residents, people with disabilities and others requiring assistance to evacuate while everyone else prepares.

Level 4 is the instruction to evacuate, and disaster management officials consistently emphasise that this is the level at which movement must occur rather than the level after it.

Level 5 indicates a disaster is occurring or imminent and that safe evacuation may no longer be possible, asking residents to take whatever immediate action protects life.

The scale's designers placed the evacuation instruction at Level 4 precisely because experience showed residents waiting for the final warning, by which point roads had flooded and slopes had begun to fail.

Alerts are issued by municipalities, which hold local knowledge of which districts face which hazards, drawing on Japan Meteorological Agency data and their own monitoring.

Landslide risk is assessed using a soil water index accounting for accumulated rainfall rather than treating each event separately, which is why a stalled front raises the level even when hourly totals are modest.

That accumulation is the current situation. Ground already saturated absorbs less of what follows, so the same rainfall carries progressively greater danger the longer the pattern persists.

Advisories reach residents through municipal broadcast systems, mobile alerts, television and radio, with redundancy intended to reach those who might miss any single channel.

Research after recent disasters consistently finds residents delay, frequently because conditions do not appear dangerous at the moment the advisory is issued.

SOCIETY

Japan's Trafficking Record, and the Gap Advocates Point To

By Daisuke Ito | Investigations & Longform

The five-year sentence handed down this week for forcing a 12-year-old Thai girl into sexual services at a Bunkyo Ward establishment falls within a pattern advocates have criticised for years.

Japan has faced sustained international criticism over trafficking, with successive United States State Department assessments noting gaps between the estimated scale of the problem and the number of prosecutions brought.

The criticism has focused on three areas: identification of victims, prosecution rates and sentencing severity relative to the gravity of the conduct.

Identification is the first difficulty. Victims frequently do not present as such, constrained by language, immigration status, debt arrangements and isolation from anyone outside the operation.

Immigration status creates a particular trap, since a victim whose visa has been violated may reasonably fear that approaching authorities produces deportation rather than protection.

Japan has established victim protection provisions intended to address that, though advocates report uneven application and limited awareness among those who need them.

Support infrastructure depends heavily on non-governmental organisations, which carry much of the work of shelter, counselling and repatriation with limited public funding.

The technical trainee programme, under which foreign workers enter Japan for skills training, has been repeatedly identified as a site of exploitation, and its replacement has been legislated after extended criticism.

Sentencing practice reflects Japanese criminal justice generally, weighing guilty pleas, restitution and absence of prior convictions in ways that produce sentences below comparable jurisdictions.

Prosecutors may appeal sentences they consider inadequate, and whether they do so in this case will indicate how the office assesses it.

Whether related charges follow against others involved in the operation will determine how far the case extends beyond the single conviction.

SOCIETY

In Naha, a Change of Governor Changes Little This Week

By Emi Kondo | Society & Local News Reporter

A change of prefectural government is a large political event and a small administrative one, and Okinawa's residents are experiencing the second while national coverage attends to the first.

Schools, hospitals, public transport and municipal services operate under structures a gubernatorial transition does not touch, staffed by career officials whose employment does not depend on the election result.

Prefectural budgets run on fiscal years, and current allocations continue to be spent as planned, with the new administration's priorities appearing in the budget it prepares for the year ahead.

Where residents may notice change sooner is in the prefecture's public posture, including how the governor's office communicates about the base question and the tone of its dealings with Tokyo.

The development budget's reported adjustment beyond 300 billion yen will take time to translate into projects, since allocation and execution follow their

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own procedural sequence.

Tourism, the prefecture's largest employer, continues on its own rhythm, with the autumn season proceeding under conditions unchanged by the election.

Residents near American facilities face an unchanged daily reality of aircraft noise and base-related traffic, matters the prefectural government handles through channels independent of the governor's position on Henoko.

The outgoing administration's legal positions in ongoing base-related proceedings require review by the incoming governor, since the prefecture is a party to litigation whose continuation is now at his discretion.

Local media in Okinawa, which has covered the base question with an intensity unmatched elsewhere in Japan, will scrutinise early decisions closely.

Prefectural assembly elections follow their own cycle, and the assembly's composition, unchanged by the gubernatorial vote, will determine how readily the new programme advances.

For most residents the transition's practical effect will register slowly, in budget priorities and in the character of the relationship with Tokyo.

SOCIETY

Behind the Centenarian Count, a Shrinking Workforce

By Emi Kondo | Society & Local News Reporter

The centenarian population passing 100,000 is one half of Japan's demographic arithmetic, and the other half is what gives the milestone its fiscal weight.

Births have continued declining, and the working-age population that funds pensions, health insurance and long-term care insurance has been contracting for decades.

The ratio between those two figures, rather than either alone, determines the sustainability of the systems built when it stood at a very different level.

Employment of older workers has risen substantially in response, with continued employment obligations raising the age to which companies must offer work and many people working well beyond it.

That participation is voluntary in law and frequently necessary in practice, since pension income alone leaves many households short of what living costs require.

Labour shortages across construction, care, logistics, hospitality and agriculture have become the binding constraint on activity in several sectors rather than a complaint about recruitment difficulty.

Foreign workers have been recruited through an expanding set of visa categories, and the technical trainee programme's replacement followed extended criticism of conditions under it.

Automation has been pursued where it can substitute, though care work and construction have proved resistant to the kinds of substitution that manufacturing achieved.

Regional variation compounds the difficulty, with areas holding the oldest populations frequently those with fewest working-age residents to staff their services.

Policy responses have combined childcare expansion, employment support for women and older workers, and gradual immigration liberalisation, none of which has reversed the trajectory.

The centenarian milestone is worth marking as a public health achievement, and the planning question it poses is the one that determines what reaching 100 in Japan will mean for those now approaching it.

SOCIETY

Tokyo's Waste System Meets a Product Category It Was Not Built For

By Emi Kondo | Society & Local News Reporter

The collection of more than 10,000 lithium-ion batteries at the Tokyo Metropolitan Government Building in 80 days illustrates a mismatch between a waste system built on household sorting and a product category that defeats it.

Japanese municipal waste separation is among the most detailed in the world, with categories varying by municipality and residents expected to know which applies to each item.

The system's effectiveness depends on that knowledge, and it works well for products whose material composition is apparent.

Batteries sealed inside inexpensive goods are not apparent. A portable fan or a pair of illuminated shoes does not present as a battery product to anyone disposing of it.

The consequence appears at the processing end, where cells ignite when crushed or punctured, causing fires that take capacity offline and endanger workers.

Fire incidents at waste facilities have risen across Japan as such products proliferated, and operators have invested in detection and suppression in response.

Extended producer responsibility, under which manufacturers bear the cost of their products' disposal, applies to several categories in Japanese law and has proved difficult to enforce against goods imported through online marketplaces.

Design regulation offers a more direct route, requiring that batteries be removable rather than sealed, an approach adopted in other jurisdictions.

Collection programmes address the accumulated stock rather than the inflow, which is necessary and insufficient.

The metropolitan government has not indicated whether the programme will be extended to additional sites.

SOCIETY

Prolonged Rain Arrives at a Difficult Point in the Farming Calendar

By Emi Kondo | Society & Local News Reporter

The Japan Meteorological Agency's warning of insufficient sunshine and prolonged rain across southern Tohoku and the Pacific coast of eastern Japan carries agricultural consequences alongside the flooding risk.

Rice approaches harvest in most of the country during September, and conditions in the final weeks before cutting affect both yield and quality.

Prolonged wet weather complicates harvesting directly, since machinery cannot operate in saturated fields and cut rice requires drying.

Insufficient sunshine affects grain filling in the period before harvest, with consequences for quality grading that determine the price farmers receive.

Quality grading matters commercially, since the difference between grades translates into a meaningful price difference across a whole harvest.

Japanese agriculture has faced compounding pressure in recent years from input costs, an ageing farming population and rice bankruptcies at record pace.

Weather events land on that accumulated difficulty rather than on a sector with reserves to absorb them.

Crop insurance exists and covers defined categories of loss, with participation varying and claims processes that take time to resolve.

Regional agricultural cooperatives provide the principal channel through which guidance and support reach individual farms.

Whether this year's conditions produce a measurable effect on the harvest will become clear as cutting proceeds through the coming weeks.

SOCIETY

Silver Week Travel Meets an Unfavourable Forecast

By Emi Kondo | Society & Local News Reporter

Silver Week begins this weekend under a forecast of continued unsettled weather and the possibility of a tropical depression developing into a typhoon.

The period's length varies year to year, depending on whether Respect for the Aged Day and the Autumn Equinox fall close enough to produce a bridging weekday.

Domestic travel dominates, with the transport network operating at elevated capacity and accommodation in popular destinations booked well in advance.

Weather has an asymmetric effect, redirecting trips toward urban and indoor destinations rather than cancelling them outright.

Hot spring regions retain appeal in poor weather in a way that hiking and outdoor destinations do not, which shapes where travel concentrates.

A substantial share of journeys are grave visits during higan, the equinox observance, which proceed in most conditions because their purpose is not recreational.

Transport operators add services for the period, and weather disruption during it produces cancellations at a scale ordinary weekends do not generate.

Advance booking patterns give operators some visibility, though weather-driven changes arrive too late to adjust capacity.

Expressway congestion is the most visible consequence of the period, with published forecasts of peak times that drivers use to plan departures.

Inbound visitors add to the pressure, with the autumn period among the year's stronger seasons for international arrivals.

Forecast confidence about the depression's development will improve within the coming days, which is the window in which most travel decisions are finalised.

SOCIETY

Planning for Lives That Now Routinely Reach Ninety

By Emi Kondo | Society & Local News Reporter

The centenarian count passing 100,000 marks an extreme of a distribution that has shifted entirely, and the consequences fall as much on those reaching 90 as on those reaching 100.

Life expectancy in Japan is among the highest recorded anywhere, and the gap between life expectancy and healthy life expectancy defines a period of years during which support is required.

Narrowing that gap has become an explicit policy objective, on the reasoning that extending healthy years serves individuals and public finances simultaneously.

Preventive health programmes, exercise promotion and nutritional guidance for older residents have been organised through municipalities with varying intensity.

Pension arithmetic assumes a distribution of lifespans, and one that has shifted upward across decades requires periodic adjustment to remain sustainable.

The pension eligibility age has been raised in stages, and deferred claiming at higher monthly rates has been promoted as an option for those able to continue working.

Employment of older workers has risen substantially, with continued employment obligations raising the age to which companies must offer work.

Housing designed for a single stage of life presents its own difficulty, with multi-storey homes becoming unsuitable for residents whose mobility declines.

Barrier-free renovation subsidies address part of that, and the vacant housing problem in rural areas is partly a consequence of older residents moving to accessible accommodation.

Financial products designed for extended retirement have developed slowly in Japan relative to the demographic need.

The milestone announced this week is an achievement, and the planning questions it raises apply to a far larger group than the 107,677 it counts.

SPORTS

Onosato Makes It Three as Kirishima's Yokozuna Bid Takes First Loss

Aonishiki and Kotozakura also stayed unbeaten on the third day, while Hoshoryu remains absent

By Haruto Yamamoto | Sports Reporter

Yokozuna Onosato won his third consecutive bout on the third day of the Autumn Grand Sumo Tournament, with ozeki Aonishiki and Kotozakura also taking their third straight wins, according to Yomiuri Shimbun and Mainichi Shimbun. Ozeki Kirishima, competing for promotion to yokozuna, suffered his first loss to Takayasu.

Kirishima's defeat is the day's consequential result. A wrestler pursuing promotion to sumo's highest rank is judged on a cumulative record across tournaments, and an early loss narrows the margin for the rest of this one.

Promotion to yokozuna conventionally requires two consecutive championships or an equivalent record, a benchmark applied by the Yokozuna Deliberation Council with discretion rather than as a formula.

Takayasu, the wrestler who handed Kirishima that loss, has spent a long career close to sumo's summit without reaching it, and a win over an ozeki in promotion contention is exactly the kind of result his supporters have followed him for.

Onosato's unbeaten start carries the institutional weight that attaches to the yokozuna rank, which cannot be demoted and therefore converts sustained poor performance into pressure to retire.

Aonishiki's three straight wins continue the run that followed his return to ozeki. He regained the rank on the September banzuke after a 12-3 finish at sekiwake in July triggered the automatic restoration sumo's rules grant a recently demoted ozeki.

Kotozakura holds the third ozeki position, and an unbeaten opening from all three at that rank gives this tournament an unusually crowded field at the top.

Hoshoryu, the second yokozuna, remains absent from the tournament. A yokozuna withdrawal removes the field's most demanding scheduled opponent and alters the arithmetic for everyone still competing.

Absences at that rank also carry their own consequence, since a yokozuna who withdraws repeatedly faces the same retirement pressure that losing records produce.

The fourth day proceeds today, with the scheduling convention still keeping the highest-ranked wrestlers apart until the second week.

That structure means the current unbeaten records establish competence against lower-ranked opposition rather than superiority over each other.

The tournament runs through the 27th at Ryogoku Kokugikan, with the closing days producing the matchups that decide the Emperor's Cup.

Three ozeki holding unbeaten records after three days is unusual and gives the tournament an unusually crowded field at the rank immediately below yokozuna.

Ozeki carries a specific protection: a wrestler demoted after a losing record regains the rank automatically by winning ten or more bouts in the following tournament.

That provision is what returned Aonishiki to the rank this September, after a 12-3 finish at sekiwake in July.

Yokozuna carry no equivalent protection because they cannot be demoted, which converts sustained poor performance into pressure to retire rather than into a lower rank.

SPORTS

SoftBank Reach Seven Straight as Hanshin's Slide Hits Seven

By Oliver Brooks | Japan Sports Desk Editor

Fukuoka SoftBank recorded their longest winning streak of the season at seven consecutive games, while Hanshin suffered their longest losing streak of the season at seven straight defeats, according to Yomiuri Shimbun. Yomiuri lost to Yokohama DeNA for a third consecutive loss, and Lotte ended a losing run on two consecutive home runs by Koki Yamaguchi.

Seven in each direction on the same night is an unusual symmetry. One club has found the form that closes a season out; the other has found the one that undoes weeks of accumulated advantage.

Hanshin's slide is the more consequential of the two for the pennant picture, since the Central League race has been the closer of the two and a seven-game run of defeats is not a rough patch but a collapse in progress.

Yomiuri's own third consecutive loss means the Giants have been unable to capitalise, which is the detail that keeps the standings from moving as far as Hanshin's run alone would produce.

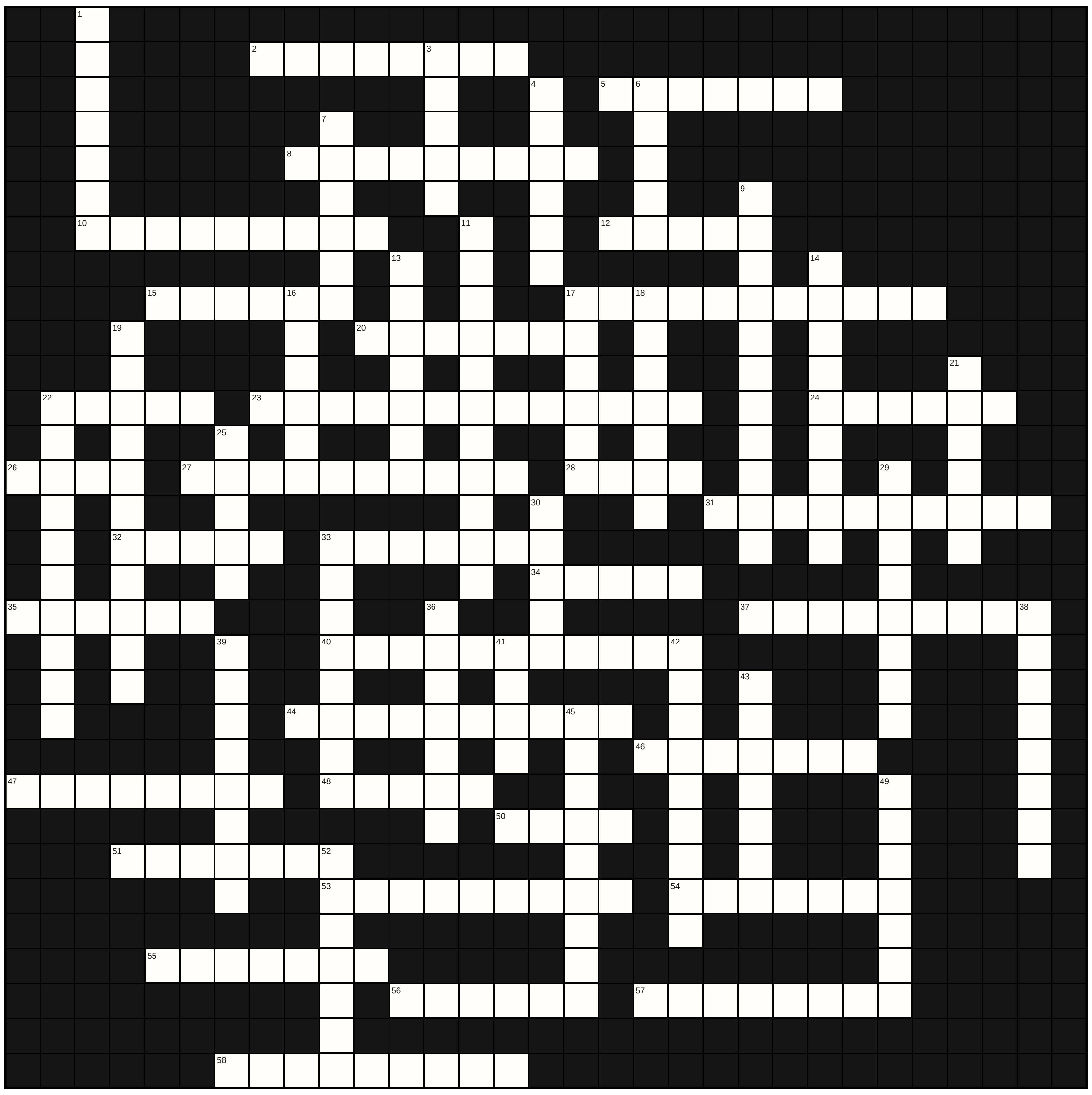
Two clubs losing simultaneously at the top of a league is a scenario that frustrates supporters of both, since neither gains from the other's difficulty.

SoftBank's seven-game run extends a period of form that has left the Pacific League with considerably less doubt at the top than the Central League carries.

Lotte's recovery came on consecutive home runs by Koki Yamaguchi, the kind of single-inning intervention that ends a losing streak more decisively than a grinding low-scoring win.

CROSSWORD PUZZLE

Today's Professional Puzzle — Constructed by James O'Neill — 61 Words



Solution will appear in tomorrow's edition. Puzzle difficulty: Professional / Sunday-level.

ACROSS

2. 2028 Los Angeles Games under NPB discussion (8)
5. Club on a seven-game losing run (7)
8. Yasutoshi ___, retained election strategy chief (9)
10. Ozeki back at rank and winning (9)
12. Tournament running to the 27th (5)
15. Taro ___, staff cartoonist (6)
17. US state getting an 82 billion yen factory (11)
20. Prefecture near Wednesday's aircraft loss (7)
22. Tech figure warning on AI risk (5)
23. Club on a seven-game winning run (13)
24. ___ Week, facing unstable weather (6)
26. New Okinawa governor (4)
27. Third unbeaten ozeki (10)
28. Kazuhiko ___, expected upper house secretary-general (4)
31. Land category up 2.9% (10)
32. Junichi ___, official being replaced (5)
33. Ishin's new secretary-general (7)
34. What hit 3.035% in Japan (5)
35. Shinto sacred site (6)
37. Lectern label in the cartoon (9)
40. Grid equipment in short supply (11)
44. Power ___, alleged in a utility death (10)
46. ___storms expected on the Pacific side (7)
47. Absent yokozuna (8)
48. Region facing heavy rain Wednesday (5)
50. Japan's legislature (4)
51. US Treasury secretary meeting He Lifeng (7)
53. Koki ___, whose homers ended Lotte's slide (9)
54. ___-ion batteries collected in Tokyo (7)
55. ___ Energy, building a Mississippi plant (7)
56. Ward where a trafficking sentence was passed (6)
57. Hiroshi ___, new LDP General Council Chairman (8)
58. Capital sending a sports minister to the Games (9)

DOWN

1. Club facing Jeonbuk (7)
3. Party taking its first cabinet post (5)
4. Hokkaido town among top land price gainers (6)
6. Sleep ___, cited in a driving indictment (5)
7. Index closing at 63,484.10 (6)
9. ___ tax on food, cut to 1% (11)
11. One of 107,677 aged 100 or older (11)
13. Korean opponent in Wednesday's tie (7)
14. Ozeki who lost his first bout (9)
16. Traditional robe (6)
17. Aomori base operating Japan's reconnaissance drones (6)
18. ___ Electric Power, facing a family's demand (7)
19. Treaty used in two arrests (11)
21. Floating wreckage found at sea (6)
22. Unmanned aircraft lost off Tottori (10)
25. Broader gauge at 4,037.16 (5)
29. US 10-year ___ touched 5.04% (8)
30. Firm targeting driverless Tokyo taxis (5)
33. Group that rose sharply on Tuesday (8)
36. Yokozuna unbeaten after three days (7)
38. Prime minister confirming Okinawa cooperation (8)
39. Wrestler who beat an ozeki on day three (8)
41. Body concluding its meeting Wednesday (4)
42. Cabinet change due Thursday (9)
43. Income-linked payment in the tax outline (7)
45. Japan's women's football side (9)
49. Ishin policy research chairman (7)
52. What a tropical depression may become (7)

The regular season runs through the end of October, leaving enough fixtures for the Central League standings to move substantially and few enough that each result now carries weight.

The Climax Series format gives late positioning its consequence, with the pennant winner entering the Final Stage holding a one-game advantage.

Second place carries the right to host the First Stage, which keeps the contest below the top meaningful rather than consolatory.

Pitching rotations tighten through September as clubs manage staff toward the postseason, a factor that shapes how late-season fixtures are contested.

Streaks of this length in either direction are comparatively rare across a 143-game season, and two occurring simultaneously at the top of different leagues is rarer still.

Japan's shorter schedule relative to Major League Baseball increases the weight each result carries in the final standings.

Magic numbers begin appearing in coverage once a club's lead exceeds the games remaining for its nearest rival, a calculation supporters follow closely through September.

SPORTS

NPB Weighs Pausing the Season for the 2028 Los Angeles Olympics

By Oliver Brooks | Japan Sports Desk Editor

Nippon Professional Baseball is considering suspending official games during the 2028 Los Angeles Olympics, on the premise that a Japanese national team would participate, according to Mainichi Shimbun. The matter was set for discussion at the owners' meeting today.

Baseball returns to the Olympic programme in Los Angeles after its absence from Paris, and the question of which players will be available has followed it back.

Japan's position on this has a history. NPB suspended its season for the 2020 Tokyo Games, allowing a full-strength squad that won the gold medal, and the precedent is the obvious reference for the current discussion.

Suspending a professional season is not a small undertaking. It compresses the remaining schedule, affects broadcast and ticketing arrangements and requires agreement from twelve clubs whose commercial interests are not identical.

Major League Baseball has consistently declined to pause its own season for the Olympics, which is why Olympic baseball has generally been contested without the sport's best-known players.

That difference shapes the competitive calculation. If Japan fields NPB professionals against opponents unable to call on major leaguers, the tournament's balance shifts considerably.

It also shapes the commercial one. A gold medal contested by a genuinely representative Japanese side carries a domestic audience that a squad of reserves does not.

Japanese players now established in Major League Baseball would remain unavailable under any NPB decision, which limits how complete a national team the suspension could actually produce.

The owners' meeting provides the forum for a decision that requires collective agreement, and 2028 is distant enough that a resolution now would be provisional in practice.

Scheduling for a suspended period would need to be worked into the calendar well in advance, which is the practical reason for taking the question up this far ahead.

SPORTS

Asian Games Continue as North Korean Sports Minister Travels to Japan

By Haruto Yamamoto | Sports Reporter

Competition continues at the Aichi-Nagoya Asian Games, where Nadeshiko Japan opened with a landslide victory, while North Korean Sports Minister Kim Il-guk has arrived in Beijing by air en route to Japan to attend the Games, according to Sankei News.

A North Korean minister travelling to Japan is not a routine occurrence, and the sporting context is what makes it possible. Multi-sport games operate under charters that oblige hosts to admit participating delegations regardless of the bilateral relationship.

Japan and North Korea maintain no diplomatic relations, and the issues between them, principally the abductions of Japanese citizens and the missile programme, have resisted resolution across decades. Sport has periodically provided the only channel through which officials from the two countries occupy the same space, a function it has served in other divided contexts without ever substituting for diplomacy.

The routing through Beijing reflects the absence of direct air links and the practical dependence of North Korean travel on Chinese connections.

Japanese security arrangements for visiting delegations from countries with which Japan has no relations are handled through the host obligations the Games impose rather than through bilateral agreement.

Nadeshiko Japan's opening result gives the host nation an early marker in a competition where Japan Sport Council officials have identified swimming, judo, gymnastics and athletics as the disciplines carrying realistic medal expectations.

China remains the overwhelming favourite in the overall medal table, a position built on depth across a wider range of disciplines than any other competing nation can match.

Host advantage is a genuine factor rather than a courtesy, with familiar venues, no travel and home support all contributing.

Competition continues across the host region through late September, with the medal table taking clearer shape as the largest-event disciplines progress.

SPORTS

Kashiwa and Kobe Play ACL Elite Fixtures Today

By Oliver Brooks | Japan Sports Desk Editor

Kashiwa face Jeonbuk and Kobe meet Port in AFC Champions League Elite fixtures in the East region today, according to the current events schedule.

The competition's restructuring created ACL Elite as Asian club football's top tier, with a smaller field and a league-phase format intended to guarantee more matches between the continent's strongest clubs.

East region fixtures bring together clubs from Japan, South Korea, China, Thailand and Australia, a grouping whose travel demands are lighter than the full continental draw would impose but still substantial.

Jeonbuk are among Korean football's most decorated clubs and a familiar opponent for Japanese sides, with the Japan-Korea club rivalry one of the competition's most consistently contested.

Port represent Thai football, whose clubs have improved markedly over the past decade as the domestic league professionalised and attracted overseas players and coaching.

Japanese clubs face a persistent scheduling difficulty in this competition, since the J.League calendar and the continental one have never aligned cleanly.

Squad depth determines how well a club manages that, and the J.League's salary structure limits how far any club can insulate itself against fixture congestion.

Continental success carries genuine commercial value through prize money and qualification for the Club World Cup, which has grown considerably in scale.

Japanese clubs have won the competition several times across its various formats, though not with the consistency that the J.League's overall strength might suggest.

Results tonight will shape the league-phase standings that determine progression to the knockout rounds.

SPORTS

What Kirishima Needs, and Why One Loss Matters

By Haruto Yamamoto | Sports Reporter

Ozeki Kirishima's first loss of the Autumn tournament, to Takayasu on the third day, carries weight beyond a single result because of how promotion to yokozuna is decided.

Sumo's highest rank is not reached by accumulating points or by winning a single tournament. It is conferred by the Japan Sumo Association on the recommendation of the Yokozuna Deliberation Council, which applies judgment rather than a formula.

The customary benchmark is two consecutive championships, or an equivalent record, and the flexibility in that phrase is where the council's discretion lives.

Equivalent has historically covered a championship followed by a strong runner-up finish, or two tournaments of sustained excellence that fell just short, with the council weighing the quality of the wins alongside their number.

SPORTS

That discretion means a wrestler in promotion contention is being assessed on more than his win-loss column. Dignity in conduct, described in sumo as hinkaku, forms part of the consideration in a way no other sport's promotion system replicates.

For a wrestler carrying an active promotion case, an early loss consumes margin. Fifteen days allows a recovery, but it removes the possibility of the unblemished record that makes a council's decision straightforward.

Takayasu, who inflicted the loss, has spent a long career at the ranks just below the summit, and beating an ozeki in contention is the kind of result that has sustained his following.

The rank Kirishima currently holds, ozeki, carries its own protections. A demoted ozeki regains the rank automatically by winning ten or more bouts in the following tournament, which is the provision Aonishiki used to return this September.

Yokozuna carry no equivalent protection, since they cannot be demoted. Sustained poor performance produces pressure to retire instead, which is why the rank is conferred cautiously.

Hoshoryu's absence from this tournament illustrates the other side of that arrangement, with a yokozuna withdrawal carrying its own accumulating cost.

The second week is when the scheduling brings the top-ranked wrestlers together, and Kirishima's remaining case will be made or lost there.

Whatever the council decides, it will decide after the tournament concludes on the 27th, based on the full fifteen days rather than any single bout.

The Yokozuna Deliberation Council meets after each tournament and issues recommendations that the Japan Sumo Association's board then acts on.

Council membership is drawn from outside the sport, including figures from business, academia and the arts, a structure intended to bring external judgment to the decision.

Promotion has occasionally been granted on records that fell short of the customary benchmark, and occasionally withheld from records that met it.

SPORTS

Hanshin's Seven-Game Slide Reshapes the Central League Finish

By Oliver Brooks | Japan Sports Desk Editor

Seven consecutive defeats is not a rough patch. It is the length of run that undoes several weeks of accumulated advantage, and Hanshin have now recorded their longest losing streak of the season at exactly the point in the calendar when a club can least afford one.

Yomiuri's inability to capitalise, with a third consecutive loss of their own to Yokohama DeNA, is the detail that has prevented the standings from moving as far as Hanshin's run alone would have produced.

Two clubs losing simultaneously near the top of a league frustrates supporters of both, since neither gains from the other's difficulty and the race is left closer than either would prefer.

The regular season runs through the end of October, leaving enough fixtures for the position to change substantially and few enough that individual results now carry weight they would not in June.

Japan's Climax Series format is what gives late positioning its consequence, with the pennant winner entering the Final Stage holding a one-game advantage already banked.

Second place carries the right to host the First Stage, which keeps the contest below the top genuinely meaningful.

Yokohama DeNA's win over the Giants continues a run of form that has kept the club in the postseason conversation deeper into the season than earlier expectations suggested.

Pitching usage tightens through September as clubs manage bullpens and rotations toward the postseason, which changes how late-season fixtures are contested.

Hanshin's coaching staff face the immediate task of stabilising whatever produced the slide, with remaining head-to-head fixtures offering both the clearest route back and the clearest risk of extension.

The Pacific League picture is considerably more settled, with SoftBank's seven-game winning run leaving less doubt at the top.

SPORTS

Where Japan Expects Its Asian Games Medals

By Oliver Brooks | Japan Sports Desk Editor

Japan Sport Council officials identified swimming, judo, gymnastics and athletics as the disciplines carrying realistic medal expectations at the Aichi-Nagoya Games, and each carries a different weight of history.

Judo carries the most. The sport originated in Japan, and Japanese competitors operate under an expectation of dominance that no other national programme in any sport quite matches.

That expectation is met more often than not at continental level, where Japanese depth across weight categories exceeds what most competing nations can assemble.

Gymnastics carries a comparable legacy, with Japanese men's programmes having dominated international competition through much of the late twentieth century and remaining among the world's strongest since.

Swimming has produced consistent international competitiveness across multiple Olympic cycles, supported by a domestic development system that continues supplying internationally ranked athletes.

Athletics draws its strength predominantly from distance running and race walking rather than the sprints and throws, though recent national records have broadened that base.

The Asian Games span a wider range of disciplines than the Olympics, including sports with regional followings that do not appear on the Olympic programme, which favours nations with breadth.

That breadth is the structural basis for China's sustained dominance of the medal table, a position built across more disciplines than any competitor matches.

Host nations historically improve on their previous medal counts, an effect attributed to home conditions, expanded entry across disciplines and the absence of travel.

Nadeshiko Japan's opening win in the football tournament gave the host an early marker, with the knockout rounds the point at which contenders separate.

The medal table takes clearer shape once swimming and athletics, the disciplines with the largest event counts, progress through their programmes.

SPORTS

How the Climax Series Turns September Into October

By Oliver Brooks | Japan Sports Desk Editor

Hanshin's seven-game slide and SoftBank's seven-game run both matter more than the standings alone suggest, because of how Japanese baseball converts a regular season into a postseason.

The Climax Series admits the top three clubs in each league. The second and third-place finishers meet in a best-of-three First Stage, hosted by the higher-placed club.

The survivor then meets the pennant winner in a best-of-six Final Stage, in which the regular-season champion begins with a one-game advantage already banked.

That advantage exists because of criticism the format attracted when introduced, with supporters of the pennant system arguing a short playoff could negate a long campaign.

The one-game handicap was the compromise, preserving some of the regular season's weight while retaining the postseason's commercial and competitive appeal.

Its practical effect is substantial. A club that finishes first needs three wins in six games rather than four, which has decided series in past years.

Hosting rights for the First Stage give second place its own concrete value, worth real advantage across a short series in front of a home crowd.

For a club hovering around the third position, every remaining fixture determines whether the postseason happens at all.

Clubs out of contention shift toward evaluating younger players and managing pitching workloads, which changes the character of fixtures against them in September.

The Japan Series follows, matching the two league champions in the competition that determines the national title.

The regular season runs through the end of October, with scheduling for the postseason confirmed once it concludes.

SPORTS

What the Aki Basho's Second Week Will Settle

By Haruto Yamamoto | Sports Reporter

A sumo tournament's first week establishes who is in form. The second decides the championship, because it is when the scheduling convention brings the top-ranked wrestlers into direct contact.

Through the opening days, yokozuna and ozeki face opponents ranked below them, a structure that lets the field sort itself before the decisive matchups are made.

That is why the unbeaten records currently held by Onosato, Aonishiki and Kotozakura establish competence rather than superiority. None has yet faced a peer.

From roughly the tenth day, the schedulers begin pairing the leaders. A wrestler unbeaten through nine days may face two or three of the other leaders in the closing week.

Kirishima's first loss, to Takayasu on the third day, means his promotion case now requires a near-perfect remainder, and his second-week fixtures will be the hardest of the tournament.

Aonishiki's form since returning to ozeki adds a further contender, and his record this tournament will inform any eventual yokozuna consideration in his own case.

Hoshoryu's absence removes one of the field's most demanding scheduled opponents, which alters the arithmetic for everyone still competing and raises questions about the yokozuna's own position.

Should two wrestlers finish level on the fifteenth day, a playoff bout decides the Emperor's Cup, a scenario that has produced some of the sport's most memorable finishes.

Onosato carries the institutional expectations that attach to the yokozuna rank and to a Japanese-born holder of it, and a strong second week would consolidate a position the rank itself makes precarious.

For lower-ranked wrestlers, the closing days determine winning and losing records that set the next banzuke, stakes smaller in profile and no less real.

The tournament closes on the 27th, and the schedule between now and then is where the September basho will be decided.

SPORTS

A Yokozuna's Absence Carries Its Own Accumulating Cost

By Haruto Yamamoto | Sports Reporter

Hoshoryu's continued absence from the Autumn tournament removes one of the field's most demanding scheduled opponents and raises questions about the yokozuna's own position that a lower-ranked wrestler would not face.

The yokozuna rank cannot be demoted. That protection is what makes it the summit of the sport and also what makes sustained absence or poor performance a matter of retirement rather than reranking.

Withdrawals are permitted and common, since a wrestler carrying injury who continues risks worsening it, and the sport's schedule of six fifteen-day tournaments a year leaves limited recovery time.

Repeated absence nonetheless accumulates, and the Yokozuna Deliberation Council has historically issued encouragement, caution and, in the most serious cases, recommendations to consider retirement.

Those interventions carry no formal force and considerable weight, since a yokozuna's standing rests on the expectation that the rank is held by someone capable of competing at its level.

Mongolian-born yokozuna have held the rank for extended periods in recent decades, and Hoshoryu belongs to a lineage within the sport that includes several of its most successful figures.

His absence leaves Onosato as the sole yokozuna competing, which concentrates the institutional expectations of the rank on a single wrestler.

For the field below, an absent yokozuna removes a difficult bout from the second-week schedule, which alters the arithmetic for every contender.

It also removes a benchmark. A championship won without facing a yokozuna is assessed differently by the council when promotion cases are considered.

The tournament runs through the 27th, and whether Hoshoryu returns during it will be reported as the days proceed.

SPORTS

Owners Meet on an Olympic Break and the Calendar It Would Require

By Oliver Brooks | Japan Sports Desk Editor

Nippon Professional Baseball's owners met today with the suspension of official games during the 2028 Los Angeles Olympics on the agenda, a question that requires collective agreement among twelve clubs whose interests are not identical.

The precedent is recent. NPB suspended its season for the Tokyo Games in 2021, allowing a full-strength Japanese squad that won the gold medal.

Repeating that for a Games held overseas raises different considerations, since the domestic audience benefit that Tokyo provided does not transfer to a tournament in another time zone.

Compressing the remaining schedule is the practical consequence. A pause of two or three weeks must be absorbed by the rest of the calendar, which means more doubleheaders or a later finish.

Broadcast and ticketing arrangements are built around a published schedule, and altering it carries contractual implications for each club.

Clubs with strong national team representation bear more of the cost, losing key players for the duration while clubs with fewer selections lose less.

Major League Baseball has consistently declined to pause its own season, which means Japanese players established there would remain unavailable regardless of what NPB decides.

That limits how complete a national team the suspension could produce, and the competitive calculation depends on what other nations can field.

Baseball returns to the Olympic programme in Los Angeles after its absence from Paris, and its long-term place on the programme is not guaranteed beyond it.

A decision taken now would be provisional in practice, since 2028 is distant enough that circumstances will change before it arrives.

SPORTS

Japanese Clubs Carry a Calendar Problem Into Asian Competition

By Oliver Brooks | Japan Sports Desk Editor

Kashiwa's fixture against Jeonbuk and Kobe's against Port, both in the AFC Champions League Elite East region today, arrive within a J.League season that has never aligned cleanly with the continental calendar.

The J.League has shifted its calendar in recent years, a change debated for decades and driven partly by the difficulty of matching the European and Asian competition schedules.

Continental fixtures add travel and match load to squads whose depth is constrained by the league's salary structure, which limits how far any club can insulate itself.

Clubs that progress deep into Asian competition frequently see domestic form suffer, a pattern visible across several seasons and several clubs.

The commercial return justifies the difficulty for those who manage it, with prize money and qualification for an expanded Club World Cup both carrying substantial value.

Japanese clubs have won the competition across its various formats, though not with the consistency the J.League's overall strength might suggest.

Korean clubs including Jeonbuk have been the most persistent rivals, and matches between the two countries' sides carry an intensity that the league phase's structure guarantees will recur.

Southeast Asian clubs have narrowed the gap considerably as their domestic leagues professionalised and attracted overseas players and

SPORTS

coaching.

Chinese clubs, dominant during a period of heavy investment, have receded as that investment withdrew, changing the competitive balance across the East region.

Results tonight shape the league-phase standings that determine progression to the knockout rounds.

TECHNOLOGY

Gates Warns AI Risks Exceed Other Technologies, Doubts Market Fixes

By Ethan Cole | Technology and Science Editor

Bill Gates has said in an interview that artificial intelligence carries greater risks than other technologies and expressed concern about relying on market-driven responses to manage them, according to Yomiuri Shimbun.

The intervention arrives days after Anthropic's chief executive and others called for a slowdown in AI development, citing self-improvement capability and a cyberattack incident in July.

Two warnings from that quarter within a week is a pattern worth noting, particularly since both come from people whose commercial interests run in the opposite direction.

The specific doubt Gates raises, about market-driven responses, goes to the mechanism rather than the risk. Markets allocate capital efficiently toward demand; they do not price harms that fall outside the transaction.

That is the standard economic case for regulation, and applying it to AI means identifying which harms are external to the buyer-seller relationship and therefore will not be addressed by competition alone.

The counter-argument has been stated repeatedly by the current American administration, which has cautioned against regulatory measures on competitiveness grounds, and it is not a frivolous position.

Japan's own approach has favoured non-binding guidance over statutory constraint, a posture that positioned Tokyo between the European Union's comprehensive framework and Washington's reluctance.

That middle position rested partly on the argument that frontier developers were better placed than regulators to judge what precautions were warranted, reasoning that a frontier developer asking for restraint complicates.

Gates occupies an unusual vantage point, having built one of the technology industry's defining companies and spent the past two decades on philanthropic work concerned with population-scale risk.

Markets have registered the AI debate directly this week, with semiconductor-related shares sold in Tokyo as investors reassessed the pace of the investment cycle.

Frontier laboratories publish safety frameworks setting out capability thresholds at which they commit to additional precautions, voluntary arrangements enforced by the companies that wrote them.

Critics note that self-imposed thresholds can be revised by the same organisation that set them, which is the structural weakness any voluntary regime carries.

Defenders respond that binding regulation written by bodies without technical capacity would address yesterday's systems while the frontier moves past them.

TECHNOLOGY

Three Warnings in a Week, and a Regulatory Vacuum

By Ethan Cole | Technology and Science Editor

Bill Gates's caution that artificial intelligence carries greater risks than other technologies, and his doubt about market-driven responses, is the third public intervention from a prominent technology figure within a week.

Anthropic's chief executive and others called for a slowdown in development, citing self-improvement capability and a July cyberattack incident. Reports that OpenAI would postpone its listing followed. Markets absorbed all three at once.

What distinguishes these interventions from the general run of AI commentary is their source. Warnings from people whose commercial interests run the other way carry an evidentiary weight that warnings from critics do not.

The specific doubt Gates raises goes to mechanism rather than magnitude. Markets allocate capital efficiently toward demand and do not price harms falling outside the transaction, which is the standard economic case for regulation.

Applying it to AI requires identifying which harms are external to the buyer-seller relationship, a question on which serious people disagree without either side being obviously unreasonable.

The competitiveness counter-argument, stated repeatedly by the current American administration, holds that constraints risk ceding advantage to rivals operating without them.

Japan's approach has favoured non-binding guidance over statutory constraint, positioning Tokyo between the European Union's comprehensive framework and Washington's reluctance.

That middle position rested partly on deference to frontier developers' judgment about necessary precautions, reasoning that a frontier developer requesting restraint complicates.

Regulators in most jurisdictions lack the technical capacity to evaluate frontier systems independently, leaving them reliant on developer disclosure.

Japan's practical leverage lies upstream, in the semiconductor equipment and materials on which frontier training depends, a position conferring influence over physical inputs rather than over software.

The market has registered the debate directly, with chip-linked shares sold in Tokyo across successive sessions as investors reassess the investment cycle's pace.

CULTURE

The Autumn Calendar Arrives Under Cloud

By Naomi Kato | Culture & Society Editor

Japan's autumn observances cluster in the weeks now beginning, and this year they arrive under a forecast of prolonged rain and the possibility of a developing typhoon.

The Autumn Equinox on the 23rd anchors the period, with the higan observance running for seven days centred on it and drawing families to grave sites across the country.

Respect for the Aged Day falls earlier in the same week, a public holiday that acquires particular resonance in a year when the centenarian count passed 100,000 for the first time.

Tsukimi, the moon-viewing observance associated with the harvest moon, has already passed its traditional date, though its commercial expressions persist through the season.

Autumn shrine festivals run through the period in communities across the country, marking the harvest with processions, portable shrines and performances whose forms vary considerably by region.

Those festivals have faced sustained difficulty in depopulating areas, where maintaining participation requires former residents returning specifically for the weekend.

The koyo foliage season follows, beginning in Hokkaido's high elevations and progressing southward and downward over roughly ten weeks.

This year's persistent cloud and rain carry implications for that progression, since colour change responds to temperature and sunshine in combination.

Weather has an asymmetric effect on holiday travel, redirecting trips toward urban and indoor destinations rather than cancelling them.

Hot spring regions retain appeal in poor weather in a way that hiking destinations do not, which shapes where Silver Week travel concentrates when forecasts are unfavourable.

For households organising travel around a grave visit rather than a leisure destination, the forecast changes little about whether the journey happens.

CULTURE

Persistent Cloud Complicates the Foliage Forecast

By Naomi Kato | Culture & Society Editor

Japan's autumn foliage season begins in Hokkaido's high elevations and progresses southward and downward over roughly ten weeks, and this year's persistent cloud and rain carry implications for how it develops.

Colour change responds to a combination of falling temperatures and sunshine, with cold nights and bright days producing the most vivid results.

Prolonged overcast conditions of the kind the Japan Meteorological Agency has flagged for southern Tohoku and the Pacific coast of eastern Japan work against that combination.

The koyo front moves opposite to the spring cherry blossom front, following falling temperatures southward rather than rising temperatures northward.

Peak timing varies by elevation as much as by latitude, which is why mountain destinations turn weeks before the cities below them.

Forecasts issued by meteorological services estimate peak viewing dates for hundreds of locations, with updates as the season's actual progression becomes clear.

Tourism operators in foliage destinations build capacity around those forecasts, and a season that arrives late or muted affects bookings concentrated into a short window.

Momijigari, the practice of travelling specifically to view autumn leaves, has documented roots extending back over a thousand years and remains among the most anticipated annual outings.

Kyoto's temple gardens, Nikko's Lake Chuzenji and the Japanese Alps draw the heaviest visitor concentrations, with accommodation frequently sold out well in advance of peak weekends.

Silver Week travel precedes the main foliage season in most of the country, which means the current unsettled forecast affects a different set of journeys.

Whether this year's conditions produce a muted season will become apparent as the front clears and the temperature pattern establishes.

CULTURE

A Holiday That Means Something Different at 107,677

By Naomi Kato | Culture & Society Editor

Respect for the Aged Day falls during Silver Week, and the centenarian figures released this week give the holiday a statistical backdrop it did not have when it was established.

The holiday originated in a village in Hyogo Prefecture in 1947 as a local observance honouring older residents, spreading nationally before being designated a public holiday in 1966.

Its date was moved to the third Monday of September under legislation creating long weekends, a change that drew objection from those who valued the original date's fixed place in the calendar.

The government marks the occasion by presenting silver cups to those reaching 100, a custom that has itself been scaled back as the numbers grew beyond what the original gesture anticipated.

That scaling back is a small illustration of a larger pattern, in which institutions designed for a demographic distribution that no longer exists require adjustment.

Municipalities hold their own observances, with ceremonies, gifts and visits organised through local welfare structures.

The holiday's meaning has shifted as longevity became ordinary rather than remarkable, from celebrating rarity toward acknowledging a stage of life a large proportion of the population now reaches.

Family observance varies considerably, with the multi-generational households that once made it straightforward having given way to dispersed families.

For those in care facilities, the day is frequently marked by staff-organised events, which places its observance in professional rather than family hands.

The 107,677 figure announced this week means the holiday now honours a group larger than the population of many Japanese municipalities.

CULTURE

Autumn Shrine Festivals Proceed Under Rain

By Naomi Kato | Culture & Society Editor

Autumn shrine festivals run through the coming weeks in communities across Japan, marking the harvest with observances whose forms vary considerably by region.

Processions carrying portable shrines through neighbourhood streets are the most visible element, requiring substantial numbers of participants to carry them.

That requirement has become the festivals' principal difficulty in depopulating areas, where maintaining participation depends on former residents returning specifically for the weekend.

Some communities have responded by combining festivals across neighbouring districts, by shortening routes, or by using wheeled platforms rather than shouldered ones.

Others have opened participation to residents without the traditional connections that once determined who carried what, a change that older participants have not always welcomed.

Weather affects the observance less than it affects recreational events, since the festivals have religious purpose and long-established dates.

Rain gear over festival dress is a familiar sight in years when the autumn front stalls, as it has this week.

Local performing arts traditions attached to the festivals, including dance and music forms specific to individual communities, face their own transmission difficulties.

Prefectural and municipal designations as intangible cultural properties provide some support, with funding for equipment and for the training of successors.

Tourism has become a complicating factor, with the best-known festivals drawing visitor numbers that change their character while providing the revenue that sustains them.

For most communities the festival remains what it has been, an annual occasion organised by and for the people who live there.

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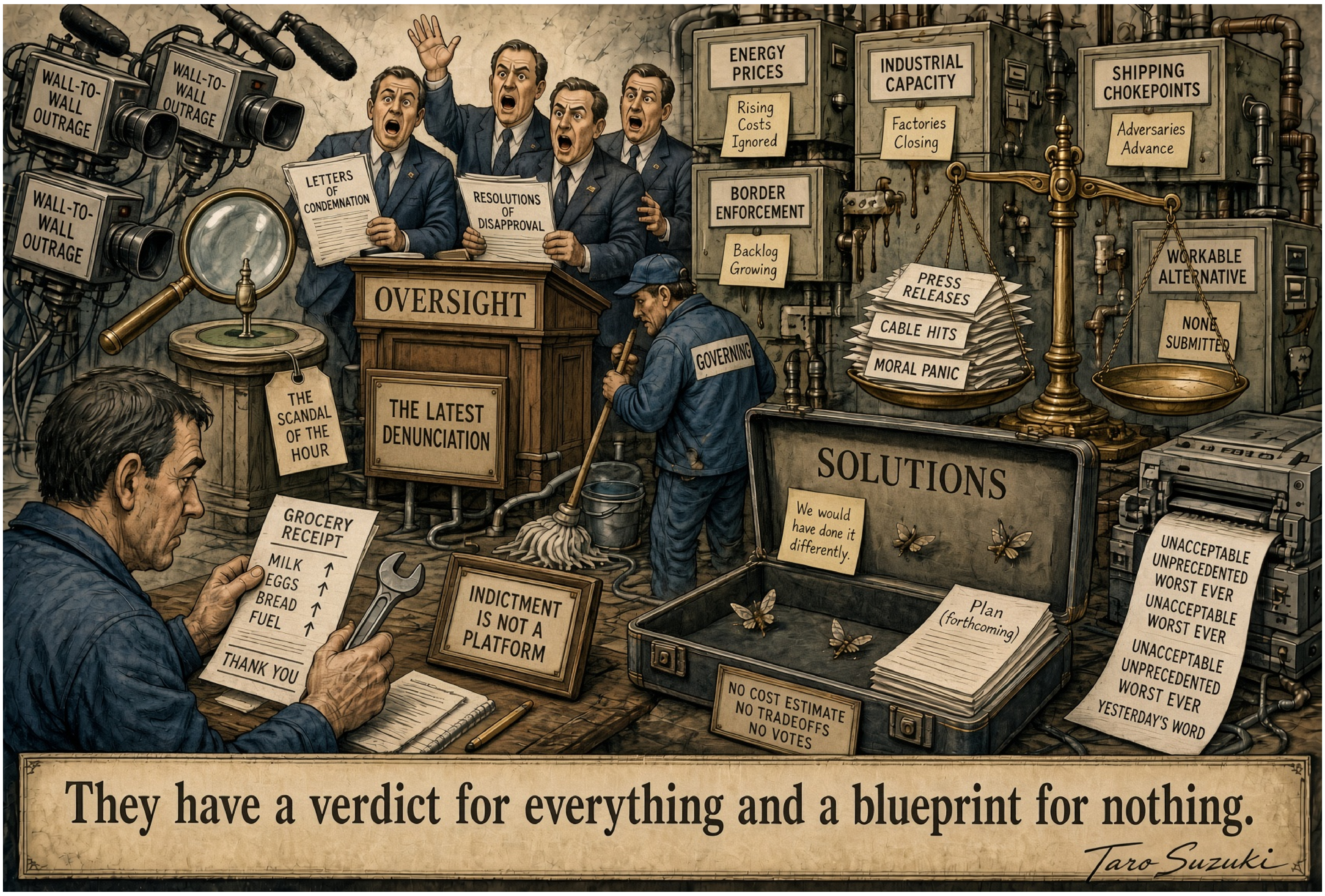

"They have a verdict for everything and a blueprint for nothing."
Cartoon by Taro Suzuki

EDITORIAL

A Verdict for Everything and a Blueprint for Nothing

Taro Suzuki's cartoon indicts a politics of denunciation without alternatives. The test it sets should be applied to the government as readily as to its critics

By Samantha Ortiz | Editorial Page Editor

Taro Suzuki's cartoon this morning is set in a room where a great deal is happening and nothing is being built. Four men in suits crowd a lectern marked OVERSIGHT, brandishing LETTERS OF CONDEMNATION and RESOLUTIONS OF DISAPPROVAL beneath a placard reading THE LATEST DENUNCIATION. Three television cameras, each labelled WALL-TO-WALL OUTRAGE, record them. A tag on the lectern reads THE SCANDAL OF THE HOUR.

Behind them stands a bank of filing cabinets, each with a small note pinned to it. ENERGY PRICES: rising costs ignored. BORDER ENFORCEMENT: backlog growing. INDUSTRIAL CAPACITY: factories closing. SHIPPING CHOKEPOINTS: adversaries advance. A single figure in overalls, labelled GOVERNING, mops the floor around them.

In the centre of the frame a brass scale weighs a thick stack marked PRESS RELEASES, CABLE HITS and MORAL PANIC against a pan holding a single slip: WORKABLE ALTERNATIVE, NONE SUBMITTED. The loaded side sits heavily down.

To the right, an open case labelled SOLUTIONS contains a few moths, a sheet reading Plan (forthcoming), and a note: We would have done it differently. A plaque beneath it reads NO COST ESTIMATE, NO TRADEOFFS, NO VOTES.

In the foreground, a man in work clothes reads a grocery receipt. MILK, EGGS, BREAD, FUEL, each with an arrow pointing up. THANK YOU, it says at the bottom. Beside him a framed sign states the cartoon's thesis in four words: INDICTMENT IS NOT A PLATFORM. A printer at the right edge spools out a ribbon reading UNACCEPTABLE, UNPRECEDENTED, WORST EVER, over and over, ending with YESTERDAY'S WORD.

The caption: they have a verdict for everything and a blueprint for nothing.

The argument is not subtle and does not need to be. A politics organised around denunciation produces a great deal of visible activity and no addressed problem, and the people it claims to speak for are left reading their receipts while the filing cabinets fill up.

It is a fair charge and a serious one. It also carries an obligation that editorial pages frequently shirk when a cartoon flatters their own priors, which is to apply the test evenly.

So let us apply it to today's front page. The Cabinet approved a tax reform outline lowering the consumption tax on food to 1% for two years from April. The measure will cost roughly 5 trillion yen a year. The funding source has not been identified. It heads to the Diet with that gap unfilled.

Hold that against the cartoon's own standard: no cost estimate, no tradeoffs, no votes. There is a cost estimate here, and it is a large one. What is missing is the tradeoff. Somebody's revenue, somebody's spending or somebody's borrowing must absorb 5 trillion yen a year, and the outline does not say whose.

That is not a denunciation. It is the specific question the cartoon's empty SOLUTIONS case is asking, and it is being asked of the government rather than the opposition, because the government is the party that has proposed something.

The bond market asked it first and in the only language it has. Domestic long-term yields touched 3.035% this week, the highest in roughly three decades, with reports of a 3.5% of GDP defence spending target contributing alongside the tax measure. Investors reached the view that a state intending to spend more and tax less would be borrowing the difference, and they priced it.

There is a defence of the outline available and it deserves to be stated. Cost-of-living pressure has been the dominant fact of Japanese politics for three years, most recently visible in Okinawa's gubernatorial result. Food prices bear hardest on households with the least room to absorb them. An income-linked benefit attached to the cut directs relief toward those households specifically. Doing something imperfect about a real problem is not obviously worse than doing something precise about nothing.

That defence has force. It does not answer the funding question, and the Diet session now approaching exists partly to press it.

Now apply the test to the other side, where it lands harder. The Constitutional Democratic Party's new vehicle was named this week: the Democratic Reform Association. The name is described as largely provisional. Further realignment is under consideration.

A provisional name and a pending reorganisation are precisely the contents of Suzuki's SOLUTIONS case. They are the announcement of an intention to eventually have a position. Against a government proposing a 5 trillion yen measure without a funding source, an opposition that has spent the week deciding what to call itself has forfeited the argument it was best placed to make.

This is the cartoon's most uncomfortable implication and the reason it is worth printing. The scale in the centre of the frame is not weighing government against opposition. It is weighing the volume of political noise against the quantity of workable proposal, and on that measure both sides of the chamber are on the heavy side of the balance.

Where the cartoon overreaches, and it does, is in the figure mopping the floor. Labelling one worker GOVERNING and leaving him silent implies that the executive is simply getting on with it while others perform. That is too generous by half.

Governing is not the absence of politics; it is politics with the power to act, and a government that approves an unfunded 5 trillion yen commitment is not mopping the floor. It is adding to what will need cleaning.

The filing cabinets make the same point against the government more sharply than against anyone else. Energy prices rising, industrial capacity under strain, shipping chokepoints contested: these are not failures of oversight. They are failures of policy, and policy is the executive's responsibility.

Take energy specifically, since it is the cabinet the receipt in the foreground connects to most directly. The line reading FUEL with an arrow pointing up describes an electricity bill shaped by imported fuel purchased at Gulf-conflict prices, which is shaped in turn by how much generating capacity Japan runs without imported fuel.

The instrument for changing that is the nuclear restart programme, and it took a serious blow this week when Chubu Electric Power withdrew its Hamaoka application after its own investigation committee found 208 seismic readings mishandled and a culture convinced it was right. That is not a scandal of the hour. It is a measurable extension of the period during which the receipt keeps rising.

So the cartoon's indictment holds, with the correction that it should be pointed at more of the room than it is. Denunciation without alternative is a failure, and so is proposal without arithmetic, and Japanese politics this week has produced both.

What would passing the test look like? For the opposition, it would mean arriving at the Diet session with a named funding source for the tax cut it will be asked to vote on, or a counter-proposal that states its own. That is a document, not a press release, and it can be written in the time available.

For the government, it would mean answering the question its own outline leaves open before the vote rather than after it. A two-year measure with a defined end date is a reasonable way to legislate under uncertainty. A 5 trillion yen commitment with no stated source is not uncertainty; it is deferral.

For both, it would mean treating the filing cabinets as the agenda rather than the backdrop. The cartoon's four labels are an accurate list of what actually determines whether the man in the foreground's receipt keeps climbing, and none of the four is currently the subject of sustained parliamentary attention.

There is a version of this argument that curdles into contempt for democratic politics itself, and it should be resisted. Oversight is not theatre by nature. Letters of condemnation and resolutions of disapproval are legitimate instruments, and a legislature that could not issue them would be worse than one that issues them too freely.

EDITORIAL & OPINION

The problem the cartoon identifies is proportion, not existence. A parliament that spends its capacity on denunciation has less left for the harder work, and the harder work is what the filing cabinets contain.

The printer at the frame's edge, spooling UNACCEPTABLE and UNPRECEDENTED and WORST EVER until the words end in YESTERDAY'S WORD, is the sharpest thing in the drawing. Language used at maximum intensity for everything cannot distinguish between a procedural irregularity and a genuine failure, and an electorate that cannot tell the difference eventually stops listening to either.

That erosion is the real cost, and it is paid by whoever next needs to say that something is genuinely serious. This week that would be the bond market's verdict on Japanese fiscal credibility, which is a considerably larger matter than the scandal of the hour and has received a fraction of the attention.

It is worth being specific about what a workable alternative would actually contain, since the phrase is easy to demand and harder to satisfy. On the tax measure it means naming the offset: a spending reduction, a different revenue source, or an explicit decision to borrow with a stated path back. Any of the three is a position. None of the three is currently on the table from any quarter.

On energy it means choosing between the available instruments and accepting what each costs. Nuclear restarts reduce imported fuel dependence and require public trust that this week's falsification case has damaged. Renewable expansion requires grid investment and land. Continued fossil dependence requires accepting that the receipt in the cartoon's foreground keeps climbing whenever the Gulf is unstable. There is no fourth option, and pretending otherwise is its own form of the empty case.

On industrial capacity it means confronting the fact that Japanese manufacturing competes against economies with lower costs and larger domestic markets, and deciding which parts of the base are strategically necessary enough to support and which are not. That decision makes enemies, which is why it is deferred.

On shipping chokepoints it means either contributing enough to collective maritime security to have standing in how it is exercised, or reducing dependence on the lanes, and preferably both. Japan has pursued the first more energetically than the second.

Each of those is a genuine choice with genuine costs, and the reason they are not made is not that politicians are uniquely cowardly. It is that the costs are immediate and concentrated while the benefits are diffuse and delayed, which is the standing difficulty of democratic politics rather than a pathology of this particular parliament.

Recognising that difficulty is not the same as excusing it. The cartoon's charge is not that hard choices are hard; it is that the political class has substituted the performance of concern for the making of them, and that the substitution has become the principal activity rather than an occasional lapse.

There is a further element in the drawing worth drawing out, because it complicates the picture in a useful direction. The man reading his receipt is not shown listening to any of it. He is turned away from the lectern entirely, doing his own arithmetic.

That detachment is the thing political actors of every stripe should find most alarming, more than any particular denunciation aimed at them. An electorate that has stopped attending to the argument does not reward better argument; it becomes available to whoever eventually offers something that sounds like a plan, regardless of whether it is one.

Japan has been comparatively insulated from that dynamic, with politics that has remained institutional and incremental where other democracies have fractured. That insulation should not be assumed permanent, and a sustained diet of denunciation without delivery is exactly what erodes it.

The proximate test is close at hand. An extraordinary Diet session convenes after tomorrow's reshuffle and will take up a 5 trillion yen measure with an unnamed source. Everyone in Suzuki's room will be there.

What emerges will be a reasonable measure of whether the cartoon is a caricature or a portrait. If the session produces a funded measure, or an opposition counter-proposal with its own arithmetic, the drawing will look unfair. If it produces resolutions, denunciations and a bill passed with the question still open, it will not.

Suzuki's caption is correct. A verdict for everything and a blueprint for nothing is an accurate description of a good deal of what passes for political argument, in Japan and elsewhere.

The obligation it creates falls on everyone in the room, including the newspapers that decide which of the day's events is the scandal of the hour and which is the thing that will still matter next year. On that count the funding source for 5 trillion yen is the story, and it is not the one leading most of the broadcasts.

One further observation about the drawing deserves stating, because it complicates the reading. The four men at the lectern are not drawn as fools. They are drawn as competent people doing something that is easier than the alternative.

That is a more serious charge than incompetence and a more accurate one. Denunciation is not the refuge of people who cannot do policy; it is the rational choice of people who can, when the incentives reward visibility over arithmetic.

Changing that requires changing the incentives, which is partly a matter for parties and partly a matter for the institutions that decide what gets covered and how.

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