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★ BREAKING NEWS ★ STRAIT OF HORMUZ ★ BREAKING NEWS ★ KUMAMOTO RECOVERY ★

Iran Claims New Tanker Strikes as Yen Surges on BOJ Bets

Tehran says it hit three more vessels and an unmanned U.S. craft; Tokyo markets brace for a hawkish central bank

By Daisuke Ito and Rachel Kim | International Desk

Iran's Revolutionary Guard Corps Navy said Sunday it had struck three more oil tankers transiting what Tehran described as unauthorized routes through the Strait of Hormuz, along with three other vessels it called U.S.-linked, in the broadest single-day set of claims since the current round of fighting resumed last weekend after a month-long lull.

Iranian state media went further, claiming a strike on an unmanned U.S. military vessel attempting to enter the strait — an assertion Washington had not confirmed as of Monday. If verified, it would mark the first acknowledged attack on an unmanned American naval asset in the six-month conflict, adding a new front to a fight that has increasingly become a contest over which side can sustain pressure on the strait's economically vital shipping lanes.

The exchange followed the weekend's most direct escalation in weeks: U.S. Central Command said American forces struck three Iranian oil tankers Saturday after the Islamic Revolutionary Guard Corps fired ballistic missiles at two U.S. Navy warships patrolling the Gulf. Neither American vessel was hit, but officials in Washington described the targeting of a carrier group as a deliberate provocation rather than an isolated incident.

The conflict traces to Feb. 28, when President Donald Trump announced what the White House called major combat operations against Iran, conducted jointly with Israel and targeting military, government and nuclear-linked infrastructure. Delegations from Washington and Tehran entered negotiations in June aimed at a war-ending agreement, but the two sides have continued to exchange strikes even as talks continue intermittently, with the Strait of Hormuz emerging as the primary flashpoint given its role as transit point for roughly a fifth of the world's oil consumption.

For Japan, which imports roughly nine in ten barrels of its crude through the strait, the renewed tanker exchanges carry direct economic consequences that arrived Monday through an unexpected channel: the yen. The currency rose to its highest level since February, extending a rally that traders attributed as much to safe-haven demand amid Middle East risk as to swelling expectations that the Bank of Japan will raise its policy rate at the Sept. 17-18 meeting.

Japan's revised second-quarter GDP figures, due for release Tuesday, are expected to show an upward revision to capital expenditure that would reinforce the case for tightening, according to economists surveyed ahead of the data. The preliminary reading three weeks ago undershot forecasts and briefly complicated the central bank's hiking timeline; a stronger revision would remove one of the more credible arguments for delay.

Market pricing now assigns roughly an 80% probability to a quarter-point increase this month, according to interest-rate futures, a shift that has pushed 10-year Japanese government bond yields to levels last seen three decades ago and left rate-sensitive Nikkei 225 shares trading with a more cautious tone than the index's headline gains this month would suggest. Continued on Page 3.

JAPAN POLITICS

Heavy Rain Turns Deadly as Landslide Warnings Widen

One dead in rain-triggered incident as the Meteorological Agency extends alerts across western and eastern Japan

By Emi Kondo | Society & Local News Reporter

Japan's run of heavy rain turned deadly over the weekend, with the Meteorological Agency confirming one fatality linked to the rain-triggered conditions that have battered parts of the country since Tropical Storm Kirovan's remnant moisture merged with a stalled autumn rain front. The agency has extended landslide and flooding warnings across a widening swath of western and eastern Japan, urging residents in the most exposed areas not to wait for visible signs of ground failure before seeking higher ground.

The death is the most serious single consequence yet of a weather pattern that has otherwise been measured mainly in disrupted travel, delayed harvests and elevated insurance exposure rather than loss of life. Local officials said they were still confirming full details of the incident as of Monday evening and had not released the victim's name pending family notification.

The timing lands awkwardly for Kumamoto Prefecture specifically, which is simultaneously managing the six-week-old recovery from July's magnitude-7.1 earthquake. Prefectural officials confirmed Monday that the prefecture's iconic autumn festival parade in Yatsushiro, a centuries-old tradition that draws visitors from across Kyushu, has been canceled this year — a decision organizers attributed jointly to the ongoing earthquake recovery effort and ground conditions left unstable by the recent heavy rain.

Digital Agency officials said the disaster-response tools deployed for the earthquake, including the AI-assisted damage-assessment system extended through Sept. 30, have also been made available to prefectures now managing rain-related flooding and landslide risk, describing the overlap as an unplanned but useful test of whether earthquake-specific emergency infrastructure can flex to cover a second, unrelated hazard arriving in the same season.

Rainfall totals through the weekend exceeded 300 millimeters in parts of the Tokai region, among the heaviest 48-hour accumulations recorded there this year, with the Kinki, Kanto and Tohoku regions all logging substantial totals of their own. The Meteorological Agency's advisories now explicitly warn that southern Kyushu and parts of Hokuriku, where soil saturation from earlier rain this month has left slopes especially vulnerable, face continued elevated risk even as the heaviest bands of rain begin to move offshore.

Government officials said Monday that emergency response coordination between the agencies managing the Kumamoto earthquake recovery and those managing the rain emergency has proceeded without major friction, though several officials, speaking on background, acknowledged that a third simultaneous emergency arriving in the same window would strain the system considerably further than the current dual-track response already has. Full weather coverage and regional forecasts, Page 18; the Digital Agency's expanded disaster-response tools, Page 2.

JAPAN POLITICS

Takaichi's Reshuffle Enters Final Stretch as Yen, Weather Complicate Backdrop

Prime minister has finalized most Cabinet posts as government juggles currency strength, storm damage and Diet calendar

By Michael Hayes | Deputy Editor, Politics & Policy

Prime Minister Sanae Takaichi's government entered the final stretch before its planned mid-September Cabinet reshuffle with an unusually crowded backdrop: a yen trading at its strongest level since February, a Bank of Japan decision two weeks away that markets now consider more likely than not to bring a rate increase, and a rain emergency that has claimed its first confirmed fatality even as the Kumamoto earthquake recovery continues six weeks in.

Government officials familiar with the reshuffle planning said Monday that the core economic and security posts — finance, defense and foreign affairs — remain expected to see continuity, consistent with previous reporting, while the timing of the announcement itself has not shifted from the Sept. 16-18 window despite the additional demands the currency and weather situations have placed on ministry staff this week.

Finance Minister Satsuki Katayama's portfolio has, if anything, grown more consequential in the days since the yen's latest leg higher. A stronger currency complicates the translated earnings outlook for Japan's major exporters just as several have posted strong summer results on the back of a weaker yen, and adds a fresh variable to the government's planned two-year cut to the consumption tax on food, since currency movements feed directly into the import costs that measure factored into the policy's original design.

Chief Cabinet Secretary Minoru Kihara has emerged this week as the government's most visible face across three simultaneous story lines — the Gulf tanker exchanges, the rain emergency, and reshuffle speculation — a workload colleagues describe as a preview of the kind of multi-front crisis management Takaichi's aides say has come to define her first year in office more than any single policy achievement.

The Okinawa gubernatorial election, five days away, continues to shape the reshuffle's sequencing. Government officials say the administration remains committed to keeping personnel announcements clear of the final week of that campaign, a self-imposed constraint that leaves an increasingly narrow window between the Sept. 13 vote and Takaichi's scheduled departure for the United Nations General Assembly later in the month.

Opposition reaction has been muted relative to the scale of the week's news, with newly re-elected Democratic Party for the People leader Yuichiro Tamaki telling reporters Sunday that his party would judge the reshuffle on substance rather than personnel optics, a notably restrained line from a politician who has otherwise been willing to criticize the government's economic messaging. Full report, Page 5.

BUSINESS

Nikkei Rally Masks Narrow Breadth as Yen Strength Looms

Monday's 2.12% surge in the Nikkei 225 to 66,399.84 told only part of the story of Japan's stock market. Beneath the price-weighted index's headline gain — driven overwhelmingly by a handful of very high-priced semiconductor and AI-linked names including SoftBank Group, up more than 11%, and Kioxia — a majority of Tokyo Stock Exchange Prime Market listings actually fell, with 883 decliners against 630 advancers, according to exchange data.

The broader Topix index, weighted by market capitalization rather than share price, rose a comparatively modest 0.55%, a gap analysts said illustrates how concentrated this year's AI-driven rally has become even as it continues to produce eye-catching headline numbers.

— Full report, Page 11

JAPAN POLITICS

Okinawa Candidates Make Final Push as Vote Nears

With five days remaining before Okinawa Prefecture chooses its next governor, incumbent Denny Tamaki and challenger Kosha Genta both campaigned across the main island Monday, each working around schedule disruptions carried over from the past week's unsettled weather.

Full coverage of the Okinawa race continues on Page 5.

TODAY'S TOP STORIES, CONTINUED

Tokyo Weighs Response as Yen Strength Tests Trade Truce

Currency gains complicate both sides' reading of last year's investment framework as Akazawa prepares follow-up talks

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

Japan's trade ministry said Monday it was assessing whether the yen's rapid appreciation to its strongest level since February carries any implications for the \$550 billion U.S.-Japan investment framework agreed last year, even as officials stressed the currency's movement reflects domestic monetary-policy expectations rather than any change in the bilateral trade relationship itself.

Trade Minister Ryosei Akazawa, who met U.S. Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer in Washington last week, is expected to hold follow-up video consultations with American counterparts this week, according to people familiar with the scheduling, though officials on both sides characterized the sessions as routine continuation of ongoing coordination rather than an emergency response to currency moves.

The framework's architecture — a series of investment tranches into semiconductors, pharmaceuticals, critical minerals, shipbuilding, energy and artificial intelligence — was negotiated against a very different currency backdrop than the one now emerging, and analysts note that a materially stronger yen could alter the relative attractiveness of some dollar-denominated commitments without changing their contractual terms.

Japanese officials have been careful to frame the currency's rise as a natural consequence of diverging monetary paths rather than a policy lever, mindful of past instances in which rapid yen moves have drawn pointed commentary from Washington about currency practices among trading partners. No such commentary had emerged from the Trump administration as of Monday.

Congressional reaction to the broader trade relationship has remained notably muted through the currency's latest move, consistent with the pattern since the framework's original signing: lawmakers representing districts that have received framework-linked investment have generally continued to credit the arrangement with supporting local jobs regardless of short-term financial-market volatility.

Analysts covering the bilateral relationship say the more consequential test of the framework's durability will come not from currency markets but from the Bank of Japan's Sept. 17-18 decision itself. A rate increase delivered alongside continued strength in the yen would mark the most significant tightening of Japanese monetary conditions since the framework was signed, a combination trade officials on both sides say they are watching for any spillover into investment-timeline discussions already underway.

Japanese officials describe the relationship with the current U.S. administration as one that requires continuous, active management rather than periodic check-ins, a dynamic reflected in Foreign Minister Toshimitsu Motegi's repeated meetings with Secretary of State Marco Rubio and in the frequency of ministerial-level trade contacts over the past year. This week's currency volatility, officials say, is being managed within that same continuous framework rather than treated as a discrete crisis requiring separate handling.

The framework's investment tranches themselves carry an added layer of currency sensitivity that has drawn comparatively little public attention so far. Several of the large-scale commitments — including semiconductor fabrication capacity in the United States and joint critical-minerals processing ventures — were costed and approved by Japanese corporate boards under exchange-rate assumptions set well before this week's yen move, meaning a sustained stronger currency could quietly improve the relative return on already-committed dollar spending even without any change to the projects themselves.

Trade analysts also note a structural asymmetry in how the two governments are likely to experience this week's currency move politically. In Washington, a stronger yen against the dollar has historically drawn less domestic political attention than a weaker one, since it does not feed the kind of competitiveness complaints that a cheap yen has periodically provoked among American manufacturers. In Tokyo, by contrast, the currency's direction remains a live domestic political question given its direct bearing on both the cost-of-living debate driving the food tax cut and the export-earnings picture underpinning corporate Japan's recent stock market strength.

Akazawa's ministry has signaled it does not intend to raise the currency question proactively in this week's consultations with Washington, preferring, according to people familiar with Japan's negotiating posture, to let the framework's existing mechanisms absorb the currency shift without inviting a broader renegotiation conversation that neither side has indicated any appetite for at this stage.

Digital Agency Tools Extend to Rain Emergency as Kumamoto Recovery Continues

Earthquake-era disaster software finds a second use as flooding and landslide risk widen

By Emi Kondo | Society & Local News Reporter

The Digital Agency's emergency-response infrastructure, built and rapidly iterated over six weeks to support Kumamoto's earthquake recovery, is now being extended to help local governments manage the separate rain and landslide emergency unfolding across western and eastern Japan, agency officials said Monday.

The agency's AI-assisted damage-assessment tool, known internally as Government AI GENAI, was designed specifically around earthquake damage patterns, but officials said the underlying document-processing and interagency data-sharing components have proven adaptable enough to support the rain-related caseload with only modest reconfiguration, a flexibility officials described as an encouraging, if unplanned, validation of the system's design.

Six Digital Agency staff members remain dispatched to Kumamoto Prefecture as of Monday, the same number maintained since early in the recovery, even as the agency has quietly begun fielding requests from prefectures affected by the newer rain emergency for access to similar tools, according to officials familiar with the requests.

The overlap between the two disaster tracks has not gone unnoticed within the agency's own leadership. Officials described the current moment as an informal stress test of whether Japan's newest disaster-response infrastructure, built for one hazard, can flex quickly enough to cover a second, unrelated one arriving in the same season — a question they said will inform how the agency designs its next generation of tools regardless of how the current dual response concludes.

In Kumamoto itself, the earthquake recovery has entered what officials describe as its more grinding, less visible phase: processing livelihood-recovery grants, resolving insurance and utility-bill disputes, and coordinating reconstruction rather than the dramatic rescue operations of the first days. The cancellation of Yatsushiro's autumn festival parade, announced Monday, is among the more visible signs of how long the disruption is expected to linger even as acute emergency operations wind down.

Prefectural officials have begun compiling a more granular accounting of the recovery's fiscal cost, a process complicated by the fact that damage assessments continue to be revised as engineers complete inspections of structures initially judged safe for provisional occupancy. Early estimates of the reconstruction bill, officials caution, should be treated as a floor rather than a final figure, consistent with the pattern seen in most major Japanese earthquake recoveries of recent decades.

The Digital Agency's tools have also begun generating a secondary body of data that officials say may prove useful well beyond the current recovery: a granular record of exactly which categories of disaster-relief applications took longest to process, and why, which the agency intends to use to refine the underlying software ahead of whatever the next disaster turns out to be, wherever in Japan it occurs.

Local business owners in the most affected districts describe a recovery proceeding unevenly by sector. Retailers and restaurants that suffered primarily structural damage have, in many cases, been able to reopen once repairs cleared inspection, while businesses whose losses were concentrated in inventory or equipment continue to wait on insurance settlements that several owners describe as moving more slowly than the physical reconstruction itself.

WORLD & NATION IN BRIEF

ICC Chief Vows to Continue Work Despite U.S. Sanctions

International Criminal Court President Tomoko Akane, a Japanese judge sanctioned by the U.S. government last month alongside a senior ICC trial lawyer, said over the weekend she would continue her duties without interruption, describing the court as, in her words, one of the last remaining bastions of the rule of law in an increasingly contested international order.

North Korea's New Destroyer Adds Edge to Trilateral Drill

North Korea's commissioning of a second naval destroyer, disclosed this week, comes as the United States, South Korea and Japan conduct a previously scheduled trilateral military exercise, though no confirmed link between the two events has been established. Regional security analysts note the timing coincides but caution against assuming intent without further information from Pyongyang, which has not commented on the exercise directly.

JGB Yields Near Three-Decade High as Hike Odds Climb

Japanese government bond yields extended their climb Monday, with the 10-year benchmark trading near levels last seen in the mid-1990s as interest-rate futures pushed the implied probability of a September Bank of Japan rate increase to roughly 80%, up from a more evenly balanced reading just a week earlier.

WORLD NEWS

TANKER STRIKES — Continued From Page 1

Ministry of Economy, Trade and Industry officials said Monday they were monitoring the tanker situation through the ministry's emergency energy coordination unit and remained in contact with the International Energy Agency regarding possible coordinated reserve releases, though officials stressed no such release was under active consideration given that physical crude supply through the strait has not yet been meaningfully disrupted despite the rising frequency of attacks.

Chief Cabinet Secretary Minoru Kihara, addressing reporters Monday morning in Tokyo, said the government was following developments in the Gulf with the utmost seriousness and reiterated Japan's longstanding call for restraint from all parties, while stopping short of assigning blame for the latest exchange. Kihara's remarks were echoed, in substance, by counterparts across Asia and Europe, with South Korea's foreign ministry issuing a similarly worded statement Monday.

Whether the pattern of claim and counterclaim continues to escalate — or whether the unconfirmed strike on an unmanned U.S. vessel proves to be either a turning point or a footnote — is, by the account of officials in Tokyo, Washington and the Gulf states alike, genuinely uncertain heading into a week that will also bring Japan's own currency and monetary policy questions to a head.

Japanese shipping companies with vessels transiting or near the strait said Monday they had not altered their routing in response to the weekend's exchange, a decision executives at two of the largest lines attributed to insurance arrangements that already price in the conflict's baseline risk rather than any assessment that Sunday's claims represent a qualitatively different threat level.

Energy security specialists who have tracked the conflict since February note that Japan's response this week follows a pattern established early in the crisis: public statements emphasizing vigilance and coordination readiness, paired with a deliberate reluctance to take any visible unilateral step — such as an early reserve drawdown — that could be read as signaling alarm disproportionate to the actual state of physical supply.

That posture faces its most direct test yet in the coming weeks, officials familiar with the government's internal planning say, given the coincidence of the tanker conflict's uncertain trajectory with the Bank of Japan's Sept. 17-18 policy meeting and the currency's own rapid appreciation — a convergence of pressures on Japan's energy and monetary policy machinery simultaneously that several officials describe as without clear precedent in recent memory.

Inside the Widening Claims: What Iran Says It Hit, and What the U.S. Confirms

A gap between Tehran's assertions and Washington's confirmations has become its own story in the six-month conflict

By Daisuke Ito | Investigations & Longform

Six months into the U.S.-Iran conflict, a pattern has become increasingly hard to miss: Iranian officials and state media routinely claim a broader set of successful strikes than the United States is willing to confirm, and the gap between the two accounts has become almost as important to tracking the war's trajectory as the strikes themselves.

Sunday's claims were the most expansive yet. The IRGC Navy said it struck three additional oil tankers transiting the Strait of Hormuz via routes Tehran considers unauthorized, plus three further vessels described as U.S.-linked elsewhere in the Gulf. Iranian state media separately claimed a strike on an unmanned U.S. military vessel attempting to enter the strait — a claim that, if true, would represent a genuinely new escalation, since no attack on an American unmanned naval asset has been previously confirmed in this conflict.

The United States had not corroborated the unmanned-vessel claim as of Monday, and independent verification of any of Sunday's claims remained limited given the difficulty of confirming naval engagements in contested waters without direct access to the vessels involved. Maritime security firms that track shipping traffic through the strait said they were still assessing which, if any, of the claimed strikes could be matched against observed vessel movements or insurance filings.

This pattern of claim-heavy, confirmation-light reporting is not unique to Sunday's exchange. Throughout the six-month conflict, Iranian officials have consistently described their own strikes in more sweeping terms than Western military assessments have supported, a dynamic some regional analysts attribute to genuine targeting difficulties in contested waters, and others read as a deliberate information strategy intended to project greater capability than Iran's naval forces can reliably deliver.

For Washington's part, U.S. Central Command has been comparatively precise in its own public claims, naming specific vessels — the tankers struck Saturday were identified by name and location — and generally avoiding the kind of broad, aggregated claims Tehran favors. Defense analysts say this asymmetry in communication style reflects each side's different strategic incentives: the U.S. benefits from being seen as measured and accurate, while Iran benefits from projecting an image of sustained capability to a domestic and regional audience.

Unmanned naval systems, the subject of Sunday's most striking Iranian claim, have become an increasingly important feature of the Gulf conflict on the American side specifically. Unmanned surface and subsurface vessels allow the U.S. Navy to conduct surveillance and maritime-domain-awareness missions in the strait's confined, missile-exposed waters without placing crews directly at risk, a capability that has expanded significantly since the naval blockade of Iranian ports began in April.

Whether Sunday's claims mark a genuine widening of the conflict or simply a more expansive rhetorical framing of familiar activity is likely to become clearer only in the coming days, as maritime insurers, shipping trackers and eventually the Pentagon itself either corroborate or quietly decline to confirm the specific vessels and systems Tehran named. For now, the gap between claim and confirmation remains, itself, one of the more reliable indicators of how the war is actually being fought.

Oil Holds Near Recent Highs as Hormuz Claims Multiply

Traders weigh expanding Iranian claims against still-unconfirmed damage to physical supply

By Yuki Saito | Economics & Finance Reporter

Benchmark crude prices held near their recent highs in Asian trading Monday as Iran's expanded claims of tanker strikes over the weekend kept a geopolitical risk premium embedded in oil pricing, even as traders noted that none of the claimed attacks has been independently confirmed to have meaningfully disrupted physical crude flows through the Strait of Hormuz.

Brent crude futures, the international benchmark most relevant to Japanese import pricing, traded within a tight range of recent sessions, with analysts describing the market's reaction as consistent with six months of pattern recognition: traders have grown accustomed to a steady rhythm of claimed strikes that raise the risk premium modestly without, so far, producing the kind of sustained supply disruption that would justify a sharper repricing.

Maritime insurers said war-risk premiums for Gulf transits have continued their gradual upward drift through the weekend's exchange, a cost that flows through shipping rates to landed fuel prices with a lag of several weeks. For Japan, which sources the overwhelming majority of its crude from the Middle East, that gradual cost accumulation has become a more persistent drag on import bills than any single dramatic price spike.

The unconfirmed Iranian claim of a strike on an unmanned U.S. naval vessel drew particular attention from energy analysts, not because of any direct link to oil supply, but because it represents a potential new category of target that, if confirmed, could signal Iran's willingness to test American red lines in ways that carry less risk of the kind of overwhelming retaliation a strike on a crewed vessel might invite.

Japanese refiners said Monday they continue to receive contracted cargoes without disruption, and the Ministry of Economy, Trade and Industry reiterated that no drawdown of strategic petroleum reserves is under active consideration given that physical supply through the strait remains intact despite the rising frequency and scope of claimed attacks on both sides.

Analysts caution that oil markets have, over six months of conflict, developed a kind of claim fatigue: each new round of Iranian assertions moves prices less than the previous one did, a pattern that could reverse sharply if any single claim — particularly one involving an unmanned U.S. asset — is ultimately confirmed and read as a genuine escalation rather than another entry in an increasingly long list of contested claims.

This pattern of claim-heavy, confirmation-light reporting is not unique to Sunday's exchange.

IN BRIEF

Quiet Diplomatic Track Persists Even as Claims Multiply

Even as Iran's expanded claims of tanker strikes dominated Monday's headlines, people familiar with the parallel U.S.-Iran negotiating track said the diplomatic channel established in June remains intact, describing the talks as proceeding on a schedule largely disconnected from the week-to-week rhythm of military exchanges.

That disconnect has become a defining, if underappreciated, feature of the six-month conflict: negotiators from both sides have continued meeting intermittently even during periods of intensified fighting, an arrangement people close to the talks describe as reflecting a shared, if unstated, interest in keeping a path to de-escalation available regardless of how the military situation on the ground and at sea evolves.

Diplomats from third countries with a stake in Gulf stability — including several Gulf Cooperation Council states that have quietly facilitated aspects of the U.S.-Iran channel — say the technical details under discussion have not shifted meaningfully in recent weeks, with verification mechanisms and sequencing questions remaining the primary sticking points they were when the talks began.

Japanese officials, who have consistently urged restraint without formally weighing in on the substance of the negotiations, said Monday they continue to view the parallel diplomatic track as the most realistic path to a durable resolution, a position Tokyo has maintained without significant variation since the conflict's outset in February.

Regional mediators caution against reading too much into any single week's military developments, noting that the talks have weathered considerably sharper escalations earlier in the conflict — including the initial strikes in February and the naval blockade imposed in April — without collapsing entirely. Whether the current claims prove similarly containable, or mark a genuine inflection point, remains, participants say, a live question rather than a settled one.

European governments, several of which have expressed growing frustration at the slow pace of the parallel track, have nonetheless continued to publicly endorse continuing the negotiations rather than abandoning them, a position officials in several capitals describe as reflecting a judgment that no realistic alternative currently offers better prospects for de-escalation.

General Assembly Agenda Takes Shape as Gulf Crisis Looms Over Proceedings

Japan expected to press familiar reform case amid a session already dominated by unresolved conflicts

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

World leaders converging on New York later this month for the United Nations General Assembly's annual high-level session will do so against a backdrop that has, if anything, grown more complicated in the days since the session's agenda was finalized, with the Gulf conflict's latest escalation adding fresh urgency to sideline discussions that officials say will inevitably overshadow the formal agenda.

Japanese diplomats are expected to use the session to renew Tokyo's long-standing push for Security Council reform, an effort that has proceeded, by officials' own account, at a genuinely glacial pace for decades, while also seeking additional bilateral meetings on the sidelines to discuss the Gulf situation directly with counterparts from Gulf states and other major oil-importing nations facing similar exposure.

This year's session was already expected to feature extensive discussion of disaster-resilience financing, a theme Japanese officials say they intend to speak to directly given the Kumamoto earthquake response and the more recent rain emergency, framing Japan's rapid deployment of AI-assisted disaster tools as a model that could be shared more systematically with other disaster-prone nations through U.N.-coordinated channels.

Security around the General Assembly session is expected to be unusually heavy this year given the backdrop of active conflict in the Middle East, with New York City and federal law enforcement agencies coordinating an expanded protective posture for visiting heads of state and government, according to officials briefed on planning.

Beyond the formal speeches, General Assembly week has increasingly become a venue for substantive bilateral diplomacy conducted on the margins, with dozens of leaders and foreign ministers packing brief meetings into the crowded schedule. Japanese officials say they have been working to secure bilateral sessions with counterparts from key Indo-Pacific and European allies well beyond the formal agenda.

Japanese diplomats are expected to use the session to renew Tokyo's long-standing push for Security Council reform.

Asian Markets Diverge as Korea Surges Past Japan on Chip Optimism

Kospi's 4.6% jump outpaces Nikkei's own strong session as regional tech rally broadens

By Yuki Saito | Economics & Finance Reporter

Asian equity markets extended their technology-led rally Monday, with South Korea's Kospi surging 4.61% to 6,995.39 in a session that outpaced even Japan's own strong 2.12% gain on the Nikkei 225, as investors across the region continued to reward chipmakers on optimism tied to a new AI model expected to boost demand for computing power.

Samsung Electronics and SK Hynix, the two heavyweight constituents driving the bulk of the Kospi's advance, rose 5.68% and 8.26% respectively, gains that outpaced even the strongest individual movers on the Tokyo exchange and underscored how thoroughly the current AI infrastructure narrative has come to dominate trading across both markets simultaneously.

Australia's S&P/ASX 200 posted more modest gains, closing marginally higher at 9,010.90, while Hong Kong's Hang Seng index slipped in late trading even as mainland China's CSI 300 advanced 0.59% to 4,575.02 — a divergence analysts attributed to differing sector composition rather than any shared regional catalyst.

U.S. markets remained closed for the Labor Day holiday, leaving Asian and European trading desks to set the tone without the usual cross-Pacific signal from Wall Street, a dynamic several floor traders in Tokyo said may have amplified the region's enthusiasm for chip stocks in the absence of any offsetting American market movement to react against.

Regional currency markets moved in tandem with the broader risk-on tone, with several Asian currencies posting modest gains against the dollar even as Japan's own yen strength stood out as the session's more consequential currency story given its direct implications for the Bank of Japan's coming policy decision.

Fund managers covering the region said Monday's trading reinforced a pattern that has held through much of this year: Asian markets increasingly move together on shared themes — AI infrastructure spending chief among them — even when the underlying domestic economic stories in each market differ considerably, a dynamic some analysts describe as a genuine regional convergence and others as simply a shared external catalyst temporarily overriding local fundamentals.

Asian equity markets extended their technology-led rally Monday.

Gaza Cease-Fire Talks Continue Amid Fragile Truce

Wire Reports

Negotiations aimed at stabilizing a cease-fire in Gaza continued over the weekend, with mediators reporting incremental progress on humanitarian access even as core disagreements over the truce's longer-term terms remained unresolved heading into a new week of talks.

Diplomats involved describe a process moving in increments rather than through any single decisive breakthrough, a characterization that has held consistently for several weeks even as the broader negotiating framework has, by most accounts, avoided outright collapse.

Humanitarian coordinators operating in the region say the incremental progress reported over the weekend has translated into modest but measurable improvements in aid delivery timelines, even as access to some of the most affected areas remains inconsistent depending on the day-to-day security situation and the state of ongoing coordination between the parties involved.

Regional mediators, who have played a central role in sustaining the talks through repeated setbacks earlier this year, say the current round differs from prior attempts mainly in the narrower scope of what negotiators are trying to lock down first — humanitarian access and monitoring mechanisms — before attempting to resolve the more politically fraught questions that have derailed previous efforts.

Officials briefed on the talks caution against reading too much into any single week's developments, noting that the cease-fire framework has weathered several periods of heightened tension since it was first established without collapsing entirely, a resilience they attribute to all parties' shared interest in avoiding a return to the intensity of fighting seen earlier in the conflict.

Negotiations aimed at stabilizing a cease-fire in Gaza continued over the weekend.

The Toll of the Tanker War, Updated: A List That Keeps Growing

Sunday's claims would add a dozen more vessels to a tally already running into the dozens

By Daisuke Ito | Investigations & Longform

Maritime security firms tracking the U.S.-Iran conflict's toll on Gulf shipping said Monday they were working to incorporate Sunday's expanded Iranian claims into their running tallies, a process complicated by the gap between what Tehran has asserted and what can be independently verified through vessel-tracking data and insurance filings.

If Sunday's claims are ultimately corroborated even in part, they would represent one of the single largest one-day additions to a list that has grown steadily since the conflict's maritime phase began in earnest in late February, spanning tankers and cargo vessels struck, damaged, shadowed or forced to divert near the Strait of Hormuz, off Fujairah, near Bahrain's Fifth Fleet headquarters, and across the wider Gulf of Oman.

Flags of convenience continue to dominate the list of affected vessels, with ships registered in Panama, Liberia, the Marshall Islands and Malta among those most frequently struck — a pattern that has held constant regardless of which side's claims are driving a given week's additions to the tally.

For Japan and other major oil-importing nations, the shipping toll remains the conflict's most direct point of economic contact, translating military and rhetorical developments in the Gulf into concrete costs — insurance premiums, rerouting decisions, delivery delays — well before any diplomatic resolution is reached, if one ultimately is.

Maritime law specialists tracking the conflict note one recurring feature of the toll: the legal status of cargo and vessels seized or damaged mid-transit remains contested long after the incidents themselves, with insurers, flag states and cargo owners frequently disputing liability in prolonged disputes that can outlast the underlying military conflict by years, based on the pattern of prior Gulf shipping conflicts.

Shipping industry associations have called for the establishment of a dedicated international arbitration mechanism specifically for maritime and commercial disputes stemming from the conflict, though no such structure has been formally proposed to date by either the United States, Iran, or the broader international maritime community.

If Sunday's claims are ultimately corroborated even in part.

Japan Renews U.N. Security Council Push Ahead of General Assembly

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

Japanese diplomats are expected to renew Tokyo's decades-long push for reform of the United Nations Security Council when world leaders gather in New York later this month, continuing an effort officials describe candidly as unlikely to produce near-term structural change but necessary to keep alive diplomatically.

Japan's case rests on familiar arguments — its status as the U.N.'s second-largest historical financial contributor, its peacekeeping record, and the argument that a Council whose permanent membership still reflects 1945's geopolitical map no longer adequately represents the world it is meant to help govern — arguments that have proceeded, by officials' own account, at a genuinely glacial pace for decades without meaningful traction among the current permanent members.

Japan has traditionally supported broader Security Council expansion in coordination with Germany, India and Brazil, and this year's push is no exception, according to officials familiar with the planning for General Assembly week. Each G4 nation continues to press its own case for permanent membership alongside the others, framing the collective effort as more durable than any single country's bid.

Skeptics of the reform effort, including several officials from smaller U.N. member states, argue that any expansion of the permanent Security Council membership risks simply adding a new tier of entrenched interests to an already-difficult decision-making structure, rather than genuinely democratizing it. Japanese diplomats acknowledge the criticism but argue that the current structure's dysfunction is itself the stronger argument for change.

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JAPAN NEWS

Who Stays, Who Might Go: Takaichi's Reshuffle Calculus Under New Pressure

Currency strength and a rain emergency add fresh variables to a lineup that was largely settled

By Michael Hayes | Deputy Editor, Politics & Policy

As Prime Minister Sanae Takaichi enters the final ten days before her first Cabinet reshuffle, the emerging shape of her lineup remains what officials have described for weeks: a consolidation rather than a shake-up, built around continuity in the government's most consequential portfolios even as this week's currency surge and rain emergency have added genuine, if secondary, complications to the planning.

Finance Minister Satsuki Katayama is expected to remain in place, a retention that now carries added weight given the yen's rise to its strongest level since February and the approaching Bank of Japan decision on Sept. 17-18, just one day into the reshuffle window itself. Katayama has spent recent months managing fiscal policy through elevated bond yields and the politically delicate rollout of the government's food consumption tax cut; a stronger yen complicates that picture further by squeezing the translated earnings of major exporters at a moment when the government is also trying to ease household cost-of-living pressure.

Defense Minister Shinjiro Koizumi's expected retention has taken on additional resonance this week following North Korea's commissioning of a second naval destroyer, timed to coincide with an ongoing trilateral military exercise involving Japan, the United States and South Korea. Defense officials describe the reshuffle's timing as coincidental to that development but acknowledge it reinforces the case for continuity in a portfolio that has grown steadily more central to regional security planning.

Foreign Minister Toshimitsu Motegi remains expected to stay on as well, with his role managing the currently muted but real friction points in the U.S. relationship — including this week's currency-adjacent questions about the \$550 billion investment framework — cited by officials as reason enough to avoid disruption in the portfolio at a sensitive moment.

Chief Cabinet Secretary Minoru Kihara has, over the past week specifically, become the government's most visible crisis manager, fronting the administration's public response to the Gulf tanker exchanges, the rain emergency and reshuffle speculation simultaneously. Aides describe his retention as effectively settled, with one official calling him simply irreplaceable given how thoroughly he has absorbed the government's crisis-communication function during an unusually compressed stretch of overlapping emergencies.

Health, Labour and Welfare Minister Kenichiro Ueno's position remains the most genuinely uncertain among the senior Cabinet posts, with Chuikyo medical-pricing reform still unresolved and Ueno having offered no public commitment on a legislative timeline. Officials say his fate in the reshuffle may hinge less on that specific policy question than on broader considerations of Cabinet balance that will only become clear once Takaichi finalizes the full lineup.

The more closely watched question within the party itself remains LDP Secretary-General Shunichi Suzuki's status, with Koichi Hagiuda still mentioned as a possible successor. People familiar with internal discussions say the currency and weather crises of the past week have, if anything, reinforced the camp arguing against any change at the secretary-general level, on the theory that a government managing multiple live emergencies benefits more from personnel stability than from the kind of message a change at the party's executive level would send.

Newly re-elected Democratic Party for the People leader Yuichiro Tamaki, fresh off a lopsided third-term victory in his own party's leadership vote, told reporters Sunday his party would judge the reshuffle on substance rather than personnel optics — a notably restrained posture from an opposition leader who has been willing to criticize the government's economic messaging on other occasions, and one some LDP officials read as a sign that Tamaki intends to preserve room for continued policy-by-policy cooperation with the Takaichi government rather than sharpen opposition ahead of his new three-year term.

Takaichi remains scheduled to finalize the reshuffle in the Sept. 16-18 window, a timeline government officials say has not shifted despite the additional demands this week's currency and weather developments have placed on ministry staff. The prime minister is also due to travel to New York later in the month for the United Nations General Assembly, leaving her a narrow window to complete the domestic transition before turning to that diplomacy.

As Prime Minister Sanae Takaichi enters the final ten days before her first Cabinet reshuffle.

— Continued from Page 1

Five Days Out, Okinawa Race Tightens as Weather Recedes as a Factor

Tamaki and Kosha make final appeals as campaign disruptions from recent storms finally ease

By Aiko Tanaka | Senior Japan Correspondent, Tokyo Bureau

With five days remaining before Okinawa Prefecture chooses its next governor, incumbent Denny Tamaki and his chief rival, Kosha Genta, campaigned across the main island Monday in what both camps described as a return to normal campaigning after a stretch of schedule disruptions tied to Typhoon Krovanh's unpredictable earlier track.

Tamaki, seeking a second term on a platform centered on his long-standing opposition to the scale and pace of American military basing across the prefecture, used Monday's appearances to emphasize disaster preparedness in the wake of both the Kumamoto earthquake and the prefecture's own recent brush with severe weather, framing his administration's coordination during the storm as evidence of steady governance under pressure.

Kosha, who has positioned himself as offering continuity with national ruling-coalition priorities on base issues while emphasizing economic development and diversification away from tourism-dependent growth, used his own Monday appearances to argue that Tamaki's confrontational approach toward Tokyo and Washington has yielded little practical benefit for Okinawan households over the incumbent's first term.

Local election administrators in Naha said Monday that early voting has proceeded without significant weather-related disruption in recent days, a marked change from the uncertainty of the prior week, and that they now expect turnout operations to proceed largely as planned through Sunday's vote.

Polling in the race has shown a persistently competitive contest, with both campaigns citing internal numbers they describe as encouraging without either claiming a decisive lead publicly. Analysts following the race say the final days are likely to turn less on any single issue than on turnout mechanics — specifically, which campaign proves more effective at converting sympathetic but historically less reliable younger voters into actual ballots cast.

The national implications of Sunday's result extend well beyond Okinawa itself. A comfortable win for Tamaki would be read in Tokyo as evidence that public patience with the pace of U.S. base realignment remains thin; a narrower result, or an upset, would be read as evidence that economic development concerns are beginning to outweigh the base issue that has anchored Okinawan politics for a generation.

Both campaigns have devoted the final week disproportionately to get-out-the-vote mechanics rather than new policy messaging, a strategic choice campaign officials on both sides attribute to polling that shows most voters have already settled on a preference, leaving turnout among softer supporters as the more decisive variable than persuasion of undecided voters at this late stage.

Younger voters in particular have emerged as a focus of both campaigns' final-week efforts, with organizers on both sides describing historically lower turnout among Okinawans under 35 as the single largest swing factor in a race this close, even as neither campaign has found a reliable formula for meaningfully improving turnout in that demographic in prior election cycles.

National political figures from both the ruling coalition and opposition parties have largely refrained from high-profile campaign visits in the race's final days, a pattern local political observers attribute to a shared calculation that heavy national-party involvement could backfire in a prefecture where voters have historically responded skeptically to perceived interference from Tokyo in local political decisions.

The national implications of Sunday's result extend well beyond Okinawa itself.

JAPAN NEWS

Government Activates Emergency Response as Rain Death Toll Confirmed

Cabinet Office coordinates cross-prefecture support as landslide warnings remain in effect

By Emi Kondo | Society & Local News Reporter

The Cabinet Office activated a formal cross-ministry coordination response Monday following confirmation of a fatality linked to the heavy rain that has affected western and eastern Japan since the weekend, a step officials said reflects the scale of the ongoing landslide and flooding risk rather than any single new development.

Chief Cabinet Secretary Minoru Kihara, briefing reporters Monday afternoon, expressed condolences on behalf of the government and said relevant ministries had been instructed to prioritize support for affected municipalities managing both the immediate rain response and, in Kumamoto's case, the overlapping earthquake recovery now in its sixth week.

The Meteorological Agency's advisories remain in effect for southern Kyushu and parts of Hokuriku, where soil saturation from earlier rain this month continues to elevate landslide risk even as the heaviest rain bands associated with Tropical Storm Krovanh's remnant moisture begin moving offshore. Agency officials reiterated Monday that residents in the most exposed areas should not wait for visible signs of slope failure before following local evacuation guidance.

In Kumamoto Prefecture specifically, the cancellation of Yatsushiro's centuries-old autumn festival parade — announced Monday and attributed jointly to earthquake-recovery constraints and unstable ground conditions from the recent rain — has become a visible symbol of how thoroughly the season's two disasters have compounded each other's disruption, even though the earthquake and the rain emergency are, mechanically, entirely unrelated events.

Disaster-management specialists say the government's ability to run two simultaneous emergency responses without either visibly crowding out the other reflects lessons learned from a string of prior Japanese disasters in which overlapping crises strained administrative capacity in ways that became apparent only in hindsight. Whether that capacity holds if a third, unrelated emergency were to arrive in the same window remains, officials acknowledge privately, untested.

Municipal officials in the most affected wards say the practical burden of managing two emergency responses has fallen disproportionately on the same small pool of experienced disaster-response staff, some of whom have now worked continuously across both the earthquake recovery and the rain emergency without the rotation breaks that would typically follow a single discrete disaster.

Whether that capacity holds if a third, unrelated emergency were to arrive in the same window remains, officials acknowledge privately, untested.

Food Tax Cut Timeline Holds as Currency Adds New Variable

Diet still expected to take up the measure this month, but yen strength complicates the underlying math

By Yuki Saito | Economics & Finance Reporter

The government's planned two-year cut to the consumption tax on food, from 8% to 1%, remains on track to reach the Diet this month, officials said Monday, even as the yen's rise to its strongest level since February introduces a variable that was not part of the policy's original design.

The measure was designed against a backdrop of a persistently weak yen that had, alongside a poor 2023 harvest, driven food-price inflation to levels that became one of the most politically resonant issues of the past two years. A meaningfully stronger currency would, over time, ease imported food costs through an entirely separate channel than the tax cut itself, a dynamic Finance Ministry officials say they are monitoring without any indication it will alter the policy's legislative timeline.

Some fiscally conservative lawmakers within the ruling Liberal Democratic Party, who have already raised concerns about the tax cut's revenue cost, have privately begun questioning whether a stronger yen reduces the urgency of a measure originally justified substantially by currency-driven import cost pressure — a debate officials close to Finance Minister Satsuki Katayama describe as unlikely to derail the bill but likely to sharpen scrutiny of its two-year sunset provision.

Retail and food-service industry groups said Monday they remain focused on implementation logistics regardless of the currency backdrop, with the mid-September timeline for adoption still requiring significant point-of-sale system and pricing-display updates on a compressed schedule.

Cabinet Approval Holds Steady Through a Week of Compounding Crises

Pollsters say multi-front crisis management has, so far, neither helped nor hurt Takaichi materially

By Michael Hayes | Deputy Editor, Politics & Policy

Support for Prime Minister Sanae Takaichi's Cabinet has held roughly steady through a week that brought a fresh escalation in the Gulf tanker conflict, a surging yen, and a rain emergency that produced Japan's first weather-related fatality of the season, according to pollsters tracking the government's numbers, who describe the lack of significant movement as itself a notable finding.

The pattern echoes what political analysts observed during the Kumamoto earthquake response: disaster and crisis management tends to produce a short-term bump in approval for incumbent governments perceived as competent, and a modest but real risk of erosion for those seen as managing crises poorly, without necessarily shifting the underlying trajectory of support one way or the other over a longer horizon.

Government officials attribute part of the Cabinet's steadiness through the week to Takaichi's own low-key public posture during the currency and weather developments, contrasting her approach with the more combative public style some predecessors adopted during comparable multi-front weeks, and crediting Chief Cabinet Secretary Minoru Kihara's near-constant public availability with keeping the government's message consistent across three simultaneous story lines.

With the reshuffle now roughly a week and a half away, Takaichi's aides describe her approval numbers as workable rather than commanding — sufficient to execute a stability-focused personnel transition without triggering the kind of intra-party second-guessing that can accompany a reshuffle undertaken from a position of political weakness, but not so strong as to invite the kind of ambitious, wide-ranging changes some LDP lawmakers have occasionally floated.

Chuikyo Reform Question Remains Open as Health Minister Stays Quiet

By Michael Hayes | Deputy Editor, Politics & Policy

Health, Labour and Welfare Minister Kenichiro Ueno remained noncommittal Monday on whether the government will submit legislation this autumn to reform the Central Social Insurance Medical Council, the body known as Chuikyo that sets drug and treatment pricing under Japan's national health insurance system, with the question now entangled in broader reshuffle speculation about whether Ueno himself will remain in the post to see any reform through.

Pharmaceutical industry groups continue to lobby actively on the question, with multinational drugmakers generally favoring reforms that would speed approval and reimbursement of novel therapies, while domestic generic manufacturers have urged caution about changes that could affect the pricing formulas governing products that make up a substantial share of prescriptions dispensed nationally.

Health ministry officials, speaking on background, describe Chuikyo reform as one of several structural fiscal questions the government will eventually need to confront alongside pension financing and long-term care insurance, even if this particular autumn's legislative session does not prove to be the moment for it — a characterization that has remained essentially unchanged for several weeks despite the reshuffle uncertainty now surrounding Ueno's own tenure.

Patient advocacy groups have grown more vocal in recent weeks, with several organizations representing patients with rare diseases specifically calling for faster review cycles that would let newly approved treatments reach patients without the extended delays that have periodically characterized the current pricing-negotiation process under the existing Chuikyo framework.

Taiwan Posture Steady as Regional Tensions Simmer Alongside North Korea Move

By William | Senior Political Analyst

Japan's government maintained its characteristically careful public posture on cross-strait tensions this week even as North Korea's commissioning of a second naval destroyer, disclosed the same week, added a fresh, if geographically distinct, element to the broader security environment Tokyo is monitoring simultaneously.

Government spokespeople repeated Japan's longstanding position that peace and stability across the Taiwan Strait remain important to Japan's own security, language that has become a fixture of official statements for years without, officials say, representing any shift in substance despite the more crowded security backdrop this particular week has presented.

Defense officials note that Japan's own defense posture — including planned increases in defense spending that align with expectations voiced by Washington — continues to proceed on a trajectory set in motion well before the current Cabinet took office, with the government describing the buildup as a response to the general security environment in East Asia rather than to any single incident, including this week's North Korean destroyer announcement specifically.

Economic ties between Japan and China have added a further layer of complexity to Tokyo's calculus. Bilateral trade, while diversifying gradually, remains substantial, and Japanese business groups have generally urged the government to avoid rhetoric or policy steps that could invite economic retaliation of the kind seen in some previous Japan-China disputes over territorial and historical questions.

Analysts note that Japan's approach reflects a consistent, decades-long preference for strategic ambiguity on the most sensitive cross-strait questions, paired with concrete incremental steps — expanded coast guard cooperation, deeper

Koizumi Expected to Stay at Defense as North Korea Adds Fresh Test

Destroyer commissioning, trilateral drill give added weight to minister's expected reshuffle retention

By William | Senior Political Analyst

Defense Minister Shinjiro Koizumi is widely expected to retain his post in Prime Minister Sanae Takaichi's coming Cabinet reshuffle, a decision that took on additional resonance this week after North Korea commissioned a second naval destroyer during the same week as an ongoing trilateral military exercise involving Japan, the United States and South Korea; officials have not established any connection between the two events.

Koizumi, one of the more recognizable figures in Japanese politics, has overseen a period in which Japan's defense budget has continued its steady multiyear climb toward the government's stated target, alongside expanding cooperation with the United States on areas ranging from munitions production to joint exercises in the waters around Japan's southwestern islands.

Defense ministry officials declined to detail the newly commissioned North Korean destroyer's capabilities but confirmed the Self-Defense Forces are participating in the trilateral exercise as previously scheduled, describing Japan's own defense posture as continuing to proceed on a trajectory set well before this week's specific development.

Koizumi's tenure has also coincided with a broader public conversation in Japan about the country's postwar constitutional constraints on military activity, a debate that predates his time at the ministry but that recent regional tensions — from the Gulf conflict to cross-strait tensions to North Korea's naval expansion — have kept alive in the words of one LDP lawmaker close to the defense policy conversation.

Fresh Off Third Term, Tamaki Signals Restraint on Reshuffle

DPP leader's muted response to Takaichi's coming Cabinet changes surprises some within his own party

By Michael Hayes | Deputy Editor, Politics & Policy

Yuichiro Tamaki, fresh off a lopsided third-term victory in Sunday's Democratic Party for the People leadership election, struck a notably restrained tone Sunday when asked about Prime Minister Sanae Takaichi's coming Cabinet reshuffle, telling reporters his party would judge the changes on substance rather than personnel optics — a posture some within his own party described as surprising given Tamaki's occasional willingness to criticize the government's economic messaging on other fronts.

Tamaki defeated his sole challenger, 30-year-old Lower House lawmaker and former Air Self-Defense Force officer Mikihiko Hashimoto, by a commanding 127 points to 32 at an extraordinary party convention in Tokyo, a margin that left little doubt about his continued grip on the party he helped found in its current form in 2020.

The new three-year term, running through September 2029, comes with Tamaki setting explicit targets: raising the DPP's Diet seat count meaningfully beyond the 28 secured in February's disappointing Lower House result, and pushing the party toward 40 or more seats in the 2028 House of Councillors election in a bid to become the largest opposition party in the Upper House.

Tamaki's measured response to the reshuffle question tracks with the broader governing approach he has pledged to continue: a 'solutions over confrontation' posture that cooperates with the ruling coalition on individual policy questions — including ideas, like the food tax cut, that originated with the DPP itself — while preserving the party's identity as a distinct opposition force on questions where it disagrees.

JAPAN-U.S. RELATIONS & ALLIANCE

Nippon Steel's U.S. Deal Faces Its Own Currency Question

A stronger yen reshapes the arithmetic behind a landmark cross-border acquisition

By Kenta Sakamoto | Data & Visualization Reporter

More than a year after Nippon Steel Corporation's acquisition of U.S. Steel Corporation cleared its final regulatory hurdles, the deal remains the most closely watched example of Japanese capital flowing into strategically sensitive American industry — and this week's yen surge has introduced a variable that was not part of the original transaction's design.

The deal's structure, which grants the U.S. government certain rights in the combined company under a national-security agreement reached during the approval process, was denominated substantially in dollar terms. A meaningfully stronger yen changes how the investment translates back into Nippon Steel's own financial reporting without altering the underlying contractual and operational commitments the company made to secure approval.

Trade and investment officials on both sides say the currency's movement has not, so far, prompted any renegotiation discussion, describing the framework's structure as designed to be resilient to exactly this kind of financial-market volatility rather than requiring adjustment each time exchange rates shift meaningfully.

Steelworkers at U.S. Steel's Pennsylvania and Indiana facilities have offered a mixed assessment of the transition under Japanese ownership, with some praising increased capital investment in aging facilities and others expressing continued unease about long-term job security once the specific numerical commitments made as part of the deal's approval expire in coming years.

For Japanese industrial strategists, the deal continues to carry symbolic weight extending well beyond its immediate commercial terms: proof that a Japanese company could compete for, and win, control of one of the most iconic names in American heavy industry, at a moment when politics around foreign investment in strategically sensitive sectors has grown considerably more sensitive in Washington than it was a decade ago.

Nippon Steel executives have described the acquisition's first year as broadly meeting internal expectations on operational metrics, even as the currency backdrop has shifted meaningfully since the deal closed, with company officials declining to speculate publicly on how a sustained stronger yen might affect the investment's reported returns in future disclosures.

More than a year after Nippon Steel Corporation's acquisition of U.S. Steel Corporation cleared its final regulatory hurdles.

Trade Officials Say Framework Remains Intact Despite Currency Swings

Akazawa prepares follow-up talks as both sides stress continuity over disruption

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

Japan's Trade and Industry Minister Ryosei Akazawa said Monday that the \$550 billion U.S.-Japan investment framework remains unaffected by the yen's rise to its strongest level since February, characterizing the currency's movement as a matter of domestic Japanese monetary policy rather than anything requiring a bilateral trade response.

Under the 2025 framework agreement, Japan accepted a 15% tariff on most of its exports to the United States — a reduction from the 25% rate initially proposed during negotiations — in exchange for the investment commitments spanning semiconductors, pharmaceuticals, critical minerals, shipbuilding, energy and artificial intelligence that have anchored the relationship since.

The legal landscape underpinning U.S. tariff policy has grown more complicated since the framework was signed, following a Supreme Court ruling earlier this year that the International Emergency Economic Powers Act does not grant the president authority to impose tariffs of the kind used to justify several earlier measures, prompting the administration to lean more heavily on alternative legal authorities for sector-specific tariffs on steel, autos and other goods under national security authority.

Japanese officials say they have sought, throughout this period of legal and political flux, to keep the bilateral investment framework insulated from the broader turbulence, arguing that the scale of Japan's committed investment gives both governments a shared interest in preserving the arrangement regardless of other legal challenges affecting other aspects of U.S. trade policy.

Akazawa is expected to hold follow-up consultations with U.S. Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer this week, according to people familiar with the scheduling, continuing the pattern of frequent ministerial-level contact that has characterized the relationship since the framework's signing.

Business groups on both sides of the Pacific have generally welcomed the relative predictability the framework has provided compared with the more volatile trade-policy period that preceded it, even as several industry associations continue to press for clarification on how sector-specific tariffs enacted under separate national-security authorities interact with the framework's own commitments.

Japan accepted a 15% tariff on most of its exports to the United States.

Japanese Firms Continue U.S. Hiring Push Despite Currency Crosscurrents

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

Japan remained the largest source of foreign direct investment in the United States in 2024, according to data from the U.S. Bureau of Economic Analysis, with Japanese firms accounting for roughly \$820 billion in total inward investment stock — a position analysts expect Japan to retain into 2026 given continued large-scale commitments under the bilateral investment framework.

Workforce development has emerged as a growing focus of the bilateral economic relationship, with policy discussions on both sides increasingly centered on training and job creation as a natural next phase beyond the initial wave of capital commitments — one intended to address near-term labor shortages in advanced manufacturing while reinforcing the industrial and supply-chain ties at the center of the broader investment framework.

State-level economic development officials across several U.S. states with significant Japanese manufacturing presence — including Tennessee, Ohio, Kentucky and Alabama — have increasingly incorporated workforce training partnerships with Japanese firms into their own economic development strategies, according to officials familiar with the programs, describing the relationship as increasingly reciprocal rather than simply capital flowing in one direction.

Community college systems in several of these states have expanded technical-training curricula specifically designed around the manufacturing processes used at Japanese-owned facilities, a form of specialized workforce development that officials on both sides describe as a durable form of cooperation likely to outlast any particular investment cycle or political administration in either country.

Japanese companies operating these facilities report that the localized training partnerships have measurably reduced the time needed to bring new hires to full productivity, according to industry association data, a practical benefit that executives cite as reinforcing the underlying business case for continued investment regardless of currency fluctuations or broader trade policy uncertainty.

Japan remained the largest source of foreign direct investment in the United States in 2024.

Defense-Industrial Cooperation Advances as Regional Tensions Multiply

By William | Senior Political Analyst

Defense and industrial officials from Japan and the United States continued to advance cooperation on munitions production and shipbuilding capacity this week, part of a broader effort by both governments to address military readiness demands that have only grown more pointed following North Korea's destroyer commissioning and the ongoing Gulf conflict.

Shipbuilding cooperation specifically has drawn growing attention given the United States Navy's long-acknowledged struggles to expand its own shipbuilding capacity fast enough to meet strategic demand, with Japanese shipbuilders increasingly viewed in Washington as well positioned to help address the gap through direct vessel construction, component manufacturing, or maintenance and repair work for U.S. Navy ships operating in the Pacific.

Munitions production has emerged as the other pillar of the deepening cooperation, with both governments citing the sustained demand generated by the Gulf conflict as evidence of the need for allied industrial capacity that can flex to meet demand surges without relying on a single national supply chain, a lesson officials on both sides say was reinforced by earlier munitions shortages seen elsewhere in recent years.

Japanese defense contractors have responded to the expanded cooperation with new capital investment of their own, according to industry officials, though several executives caution that scaling production capacity for both munitions and shipbuilding components requires multiyear investment horizons that cannot be accelerated indefinitely regardless of how urgently either government would prefer faster results.

Munitions production has emerged as the other pillar of the deepening cooperation.

JAPAN SPORTS

Hanshin Holds 2.5-Game Cushion as Giants Keep Pace in Central League

Tigers sit at 69-52 with the pennant race entering its final month

By Oliver Brooks | Japan Sports Desk Editor

The Hanshin Tigers carried a 2.5-game lead over the pursuing Yomiuri Giants into the season's final stretch, sitting at 69 wins and 52 losses with one tie for a .570 winning percentage through Sunday's games, according to official NPB standings, as the Central League pennant race enters what both clubs describe as its most consequential final month.

The Giants, at 67-55-2 for a .549 winning percentage, have kept pace across interleague and division play alike, with their 10-6 interleague record — the best mark in the Central League this season — cited by manager-level staff as evidence of a roster built for exactly this kind of stretch-run pressure.

Beyond the top two, the gap to third place has grown more pronounced than earlier in the season: the Yokohama DeNA BayStars sit 11 games back at 57-62-3, with the Tokyo Yakult Swallows and Chunichi Dragons further back still, effectively removing any realistic pennant contention from the bottom four clubs even as the third and final Climax Series berth remains a live question among them.

Hanshin's head-to-head record against Yomiuri this season sits at 7-16 in the Giants' favor, a split that would ordinarily favor Yomiuri's case as the season closes, but the Tigers' broader consistency across the full slate of opponents has proven the more durable advantage through 122 games played.

With roughly three weeks of the regular season remaining, both clubs have begun the delicate work of managing pitching staffs for a stretch run that will determine not just the pennant itself but seeding heading into the Climax Series, where Hanshin's current cushion would translate into a meaningful advantage in the postseason format.

Attendance figures across the league have told a notable story this season, with both Hanshin and Yomiuri home games drawing crowds well above recent-year averages as the tightening pennant race has generated the kind of sustained late-season interest that broadcasters say has translated into improved television ratings as well.

Individual performances have shaped the race as much as team-level trends: Hanshin's pitching staff has been the foundation of its season-long success, anchored by a rotation that has combined veteran stability with several breakout performances from younger arms, while Yomiuri's offense has carried the club through stretches where its own pitching has been less consistent.

SoftBank Extends Lead as Seibu and Nippon-Ham Fight for Second

Hawks sit at 75-45 with a six-game cushion over two closely matched rivals

By Haruto Yamamoto | Sports Reporter

The Fukuoka SoftBank Hawks carried a commanding six-game lead into the season's final stretch, sitting at 75 wins and 45 losses with three ties for a .625 winning percentage through Monday's games — the best mark in either league — as the defending Japan Series champions continue to distance themselves from a tightly bunched pack behind them.

That pack has become genuinely compelling in its own right. The Saitama Seibu Lions, at 70-52-3 for a .574 winning percentage, and the Hokkaido Nippon-Ham Fighters, at 71-53-2 for .573, sit tied for second place at six games back apiece — separated by the thinnest of margins with roughly three weeks of the season remaining.

Both Seibu and Nippon-Ham have posted outstanding interleague records this season, with Seibu going 14-3-1 and Nippon-Ham 14-4 against Central League opponents, results that have kept both clubs firmly in postseason position even as SoftBank's dominance atop the standings has left comparatively little drama at the top of the league.

The Orix Buffaloes, at 59-64-2 and 17.5 games back, and the Chiba Lotte Marines, at 54-62-3 and 19 games back, remain mathematically alive for the third Climax Series berth but face a genuinely uphill path against two clubs playing consistently better baseball down the stretch. The Tohoku Rakuten Golden Eagles, at 47-74-1, have been eliminated from realistic postseason consideration for several weeks.

For SoftBank, the remaining questions center less on whether the club secures the pennant than on how manager-level staff choose to manage workload across a roster already positioned for a deep postseason run, with the Hawks' front office reportedly weighing rest for key contributors against the value of maintaining sharp form heading into October.

The Seibu-Nippon-Ham race for sole possession of second place has increasingly become the league's most closely followed storyline down the stretch, with both clubs' remaining schedules drawing scrutiny from analysts trying to project which team benefits more from its specific slate of remaining opponents over the season's final three weeks.

The Tohoku Rakuten Golden Eagles, at 47-74-1, have been eliminated from realistic postseason consideration for several weeks.

The Hanshin Tigers carried a 2.5-game lead over the pursuing Yomiuri Giants into the season's final stretch.

Ohtani's Pitching Season Effectively Over as Dodgers Weigh Hitting Return

Two-way star's 2026 workload situation has deteriorated sharply over 48 hours, per people familiar with the team's thinking

By Haruto Yamamoto | Sports Reporter

Shohei Ohtani's availability as a pitcher for the remainder of the 2026 season has effectively been eliminated from Los Angeles Dodgers' planning, according to people familiar with the team's thinking, even as the two-way star's tentative return to the lineup as a hitter — possible as soon as Monday against the Cincinnati Reds — offered the organization at least partial relief after a fourth consecutive missed start.

Ohtani's situation has shifted markedly over a short span. Team conversations that centered on selective rest and the possibility of an injured list stint just days earlier had, by the weekend, moved to focus almost entirely on salvaging his offensive contribution for the stretch run while accepting that his pitching workload for 2026 has reached its practical limit, given the combination of left knee soreness, right biceps discomfort and, more recently, neck issues that have accumulated since before the All-Star break.

Manager Dave Roberts, who had previously expressed uncertainty about Ohtani's pitching availability in candid terms rather than optimism, has continued preparing the Dodgers' rotation — anchored by Yoshinobu Yamamoto, Blake Snell, Tyler Glasnow and Tarik Skubal — to carry the postseason pitching workload without Ohtani's contribution on the mound, a contingency the club has been quietly building toward for weeks.

Ohtani struck out four times in his last appearance before the current absence, a performance that preceded two full days without baseball activity followed by a return to hitting in the indoor batting cage over the weekend, which the team described as encouraging progress toward an on-field return rather than a setback.

For Japanese fans, Ohtani's availability down the stretch carries stakes well beyond his own statistical season, given how central his presence is to the Dodgers' championship ambitions and how closely his every appearance is followed domestically. The calculus for the organization has become straightforward in the words of people close to the team: maximize whatever offensive output remains available from Ohtani for October, while accepting that his two-way workload for 2026 has reached the end of what his body can sustain.

Ohtani's situation has shifted markedly over a short span.

Osaka's US Open Run Continues as Nishikori's Retirement Tour Nears Its Close

By Grace Park | Food & Restaurant Columnist

Naomi Osaka continued her run at the 2026 US Open this week, extending a tournament that has already produced one of her more encouraging stretches on tour this season, even as she navigates a draw that has tightened considerably heading into the second week at Flushing Meadows.

Osaka, a two-time US Open champion and former World No. 1, enters the tournament's final rounds ranked No. 14, a position that reflects a season of gradual rebuilding following injury and time away from the tour, even as her run in New York has featured the kind of aggressive, high-risk shot-making that defined her prior US Open titles in 2018 and 2020.

The tournament has also marked a milestone of a different kind for Kei Nishikori, the 36-year-old former World No. 4 who announced in May that he would retire following the 2026 season. Nishikori advanced through qualifying to reach the main draw, extending what is likely his final Grand Slam appearance — a fitting stage for a player whose 2014 US Open final remains the best Grand Slam singles result by any Japanese man in the Open era.

Nishikori's retirement, when it comes at season's end, will close out a career that made him the highest-ranked Japanese man in tennis history and a fixture of Japanese sport for nearly two decades, including a bronze medal at the 2016 Rio Olympics.

For Osaka, meanwhile, the tournament represents a chance to build momentum heading into the final stretch of the season, with her performance in New York likely to shape how she is seeded heading into next year's Australian Open, where she won two of her four career Grand Slam singles titles.

Japanese tennis broadcasters have expanded their US Open coverage specifically to accommodate the dual national storylines of Osaka's continued competitiveness and Nishikori's farewell tour, a combination domestic audiences have responded to with viewership figures that networks describe as among the strongest for any non-final US Open broadcast window in recent years.

Naomi Osaka continued her run at the 2026 US Open this week.

JAPAN SPORTS

B.League Enters New Premier Era as Manila Exhibition Kicks Off Season Preview

Levanga Hokkaido and Gunma Crane Thunders play the league's first-ever games outside Japan this week

By Haruto Yamamoto | Sports Reporter

Japanese professional basketball opens an unusual chapter this week, with Levanga Hokkaido and Gunma Crane Thunders traveling to Manila to play a two-game exhibition series on Sept. 9 and 10 — the first games in B.League history to be staged outside Japan, and an early preview of a domestic season that will look considerably different when it tips off later this month.

The exhibition marks the debut of the B.League Premier, a restructured top division replacing the former B1 League since the league's founding a decade ago, with the new structure designed to professionalize and commercialize Japanese basketball following a familiar playbook of expanded broadcast rights, closer alignment with international scheduling windows, and a renewed emphasis on developing homegrown talent capable of competing at the international level in recent cycles.

The 2026-27 season marks the first under a more consequential structural change at home: the B.League Premier replacing the former B1 League as the league's founding decade closes, with Nagasaki Velca entering the new era as the reigning champion, while Utsunomiya Brex, which led the B1 season during the final stretch before this restructuring, will be among the favorites to challenge for the inaugural Premier title.

Point guard play has been a particular point of national pride heading into the new era, with players including Yuki Togashi, Takumi Saito, Ryusei Sasaki and Yuki Kawamura all drawing attention for their performances on the Akatsuki Japan national team over the past year, and Kawamura in particular having become one of the sport's most closely followed Japanese players internationally, having spent time on an NBA roster after returning to prominence in the national team setup.

League officials say the choice of Manila for the exhibition series was deliberate rather than incidental, reflecting a broader B.League strategy of building commercial and fan relationships across Southeast Asia ahead of any future international expansion of the league's footprint. The Philippines' own deep basketball culture, officials note, makes it a natural first market for exactly this kind of overseas exhibition experiment, with organizers describing ticket demand for the two games as strong enough to validate further international dates in future seasons.

Both Levanga Hokkaido and Gunma Crane Thunders enter the exhibition series in the middle of their own preseason preparations, with coaching staff for both clubs describing the trip as a genuine opportunity to build chemistry under unfamiliar conditions rather than a mere promotional exercise, given the travel and adjustment demands that playing outside Japan for the first time in league history inevitably impose on a roster still finalizing its rotation ahead of the domestic season's later-month opening.

The B.League Premier's launch this season also arrives alongside continued growth in the sport's domestic broadcast and sponsorship revenue, which league officials cite as evidence that the restructuring reflects genuine commercial momentum rather than an attempt to manufacture excitement around a league still building its audience relative to baseball's dominant position in Japanese sports culture.

Japanese professional basketball opens an unusual chapter this week.

Young Players Lead the Way as Japan Golf Tour Heads Toward Autumn Stretch

By Grace Park | Food & Restaurant Columnist

Japan's domestic golf circuit has produced a string of breakthrough performances this season, with several tournaments won by players capturing their first professional titles — a pattern that suggests a generational transition may be underway in Japanese golf beyond the sport's established headline names.

Tomofumi Ouchi, Taiga Sugihara, Tsubasa Ukita and Taichi Kimura have each claimed titles on the developmental circuit this year, each a first career win, as the tour's autumn events approach with the top performers jockeying for promotion opportunities to the main Japan Golf Tour.

With the domestic season's remaining events concentrated in the final months of the year, attention will turn to whether any of this year's breakthrough winners can carry their form into the sport's more prestigious tournaments, where Japan has historically produced strong depth without always converting it into victories on the biggest stages.

Tour officials have pointed to a revised points system introduced for the 2026 season as a contributing factor in the developmental circuit's unusually competitive year, with the new structure rewarding consistency across a full slate of events rather than allowing a single strong result to carry a player's ranking disproportionately — a change officials say has encouraged a broader field of players to compete seriously across the entire calendar rather than targeting only a handful of higher-purse events.

Course conditions across this year's developmental-tour venues have also drawn favorable comment from players and officials alike, with several tournament directors crediting improved turf management investment for scoring conditions that have, if anything, made this year's fields more competitive rather than less, since firmer, faster greens have tended to reward the all-around consistency the new points system already favors over pure power off the tee.

Japan's domestic golf circuit has produced a string of breakthrough performances this season.

NPB Scoreboard and Standings at a Glance

Compiled by the Sports Desk

CENTRAL LEAGUE — Hanshin Tigers 69-52-1 (.570); Yomiuri Giants 67-55-2 (.549, 2.5 GB); Yokohama DeNA BayStars 57-62-3 (.479, 11 GB); Tokyo Yakult Swallows 53-67-2 (.442, 15.5 GB); Chunichi Dragons 53-71-2 (.427, 17.5 GB); Hiroshima Toyo Carp 49-67-4 (.422, 17.5 GB).

PACIFIC LEAGUE — Fukuoka SoftBank Hawks 75-45-3 (.625); Saitama Seibu Lions 70-52-3 (.574, 6 GB); Hokkaido Nippon-Ham Fighters 71-53-2 (.573, 6 GB); Orix Buffaloes 59-64-2 (.480, 17.5 GB); Chiba Lotte Marines 54-62-3 (.466, 19 GB); Tohoku Rakuten Golden Eagles 47-74-1 (.388, 28.5 GB).

UPCOMING — The Aki Basho grand sumo tournament opens Sept. 13 at Ryogoku Kokugikan, running through Sept. 27. B.League's Levanga Hokkaido and Gunma Crane Thunders play exhibition games in Manila Sept. 9-10 ahead of the domestic season's later-month opening.

AROUND THE HORN — Naomi Osaka and the retiring Kei Nishikori both remain active at the 2026 US Open in New York. Shohei Ohtani's pitching season is effectively over; a hitting return is possible as soon as Monday against Cincinnati.

UPCOMING — The Aki Basho grand sumo tournament opens Sept. 13 at Ryogoku Kokugikan, running through Sept. 27.

The Races to Watch as September Enters Its Second Week

By Oliver Brooks | Japan Sports Desk Editor

With roughly three weeks of NPB's regular season remaining, three storylines are likely to define the sprint to the Climax Series: whether Yomiuri can close Hanshin's 2.5-game Central League cushion, whether Seibu or Nippon-Ham can pull clear of the other for sole possession of second in the Pacific, and which of the four bottom-tier Central League clubs, if any, can make a late push for the third Climax Series berth.

Schedule strength in the season's final weeks will play an outsized role in how these races resolve, with several contending clubs facing unusually front-loaded schedules against stronger opponents in September — a quirk of this year's calendar that could work against clubs banking on their remaining schedule being as forgiving as their rivals'.

Head-to-head season series will carry particular weight if the standings remain this tight heading into the final weeks, since NPB's tiebreaker procedures give priority to a club's record against direct rivals before falling back on broader run-differential metrics — a detail front offices across both leagues say they are tracking as closely as the raw standings themselves.

Bullpen depth and usage patterns are likely to prove decisive in a stretch run this compressed. Managers across both leagues have begun signaling more conservative pitch-count and rest-day management for their top relievers, a pattern consistent with clubs positioning for a Climax Series run rather than simply trying to win as many of the remaining regular-season games as possible, even at the cost of occasionally shorter outings from starting pitchers than fans might otherwise expect down the stretch.

Injury reports across contending clubs have also drawn closer attention than usual, with front offices in both leagues describing the final three weeks as a period in which a single significant injury to a core contributor could plausibly swing a race that, in several of this year's key standings gaps, has come down to single-digit numbers of games separating contenders.

Bullpen depth and usage patterns are likely to prove decisive in a stretch run this compressed.

TECHNOLOGY & SCIENCE

Rapidus Talks With 60 Firms as Government Nears ¥3 Trillion Pledge

Chip venture says AI-driven demand has intensified customer interest even as 2027 timeline faces scrutiny

By Ethan Cole | Technology and Science Editor

Rapidus Corp., Japan's state-backed bid to reclaim relevance in advanced semiconductor manufacturing, is in talks with more than 60 companies interested in designing chips for artificial intelligence, robotics and on-device computing, chief executive Atsuyoshi Koike said, as government support for the venture approaches a cumulative ¥3 trillion pledge.

The venture's most recent funding round secured ¥267.6 billion in total investment from the government and 32 private companies including Sony Group, Toyota Motor and SoftBank, building on an initial ¥73 billion commitment from eight founding companies when Rapidus was established in 2022. The Ministry of Economy, Trade and Industry, through the Information-Technology Promotion Agency, has structured its own stake with deliberately limited voting rights, preserving Rapidus's operational autonomy while retaining a golden-share veto over matters touching national strategic interests.

Koike said customer demand for cutting-edge chips has surged since the start of the year, with requests for 2-nanometer technology intensifying in particular — a trend company executives attribute directly to the broader AI infrastructure boom that has also driven much of this year's rally in Japanese semiconductor-linked equities. "We want to move quickly," Koike said, "first with 2nm, and then on 1.4nm and 1nm technologies."

The company's timeline has shown signs of gradually slipping even as the funding commitments have grown: earlier guidance pointed to mass production beginning in 2027, while some more recent public statements have referenced a start as late as March 2028, a drift Rapidus executives attribute to the technical difficulty of the underlying manufacturing challenge rather than any funding shortfall.

Skeptics, including veteran semiconductor engineers who have watched previous Japanese chip-industry revival efforts fall short, continue to question whether Rapidus can compress into a few years a manufacturing learning curve that took Taiwan Semiconductor Manufacturing Co. decades to climb. Rapidus executives counter that the company's singular focus on a single advanced node, rather than the broad product portfolios that occupied Japan's chipmakers in earlier eras, gives it a sharper chance of success this time.

The Hokkaido location itself has become part of the project's broader economic narrative, with Chitose and the surrounding region seeing a wave of related investment in housing, logistics and specialty suppliers anticipating Rapidus's eventual workforce needs — though economists caution the scale of ancillary investment now underway assumes a level of ultimate success that remains, by the company's own admission, unproven.

Whatever the outcome, the project has already reshaped the debate inside Japan's industrial-policy establishment, normalizing a scale of direct state investment in a single private venture that would have been difficult to imagine a decade ago, and setting a precedent officials say is likely to inform how Tokyo approaches other strategically sensitive industries in the years ahead.

Japan's state-backed bid to reclaim relevance in advanced semiconductor manufacturing.

Tokyo Chip Stocks Extend Rally on New AI Model Optimism

Advance built substantially on a handful of high-priced names even as breadth across the broader market narrows

By Maya Suzuki | Science & Innovation Desk

Technology shares on the Tokyo Stock Exchange extended a multi-week rally Monday, with chip designers, memory makers and AI infrastructure suppliers continuing to price in accelerating global demand for artificial-intelligence computing hardware, as investors across Asia responded to reports of a new AI model expected to significantly boost demand for advanced chips.

SoftBank Group's own advance — up more than 11% in Monday's session alone — has become the most visible symbol of the rally, reflecting founder Masayoshi Son's aggressive bet on AI infrastructure spanning chip design, data-center investment and stakes in AI-focused ventures through the Vision Fund and related vehicles.

Analysts note that Japan's exposure to the global AI investment cycle runs considerably deeper than the handful of headline chip names dominating trading commentary, extending through specialty chemical makers, precision testing equipment suppliers and advanced packaging materials companies whose role in the AI supply chain has drawn renewed investor attention this year.

The rally's underlying narrowness — with a majority of individual Tokyo Stock Exchange Prime Market listings actually declining even as the headline Nikkei 225 posted a strong gain Monday — has prompted some fund managers to caution that the market's enthusiasm remains concentrated in a relatively narrow band of AI-infrastructure-linked names rather than reflecting broad-based confidence in the wider Japanese economy.

Japanese pension funds and other large institutional investors have gradually increased their exposure to AI-linked equities over the past two years, according to industry data, a shift that has itself become a topic of debate among fund governance specialists given the concentration risk that comes with any sector-specific investment theme, however durable its underlying growth story may prove to be.

Technology shares on the Tokyo Stock Exchange extended a multi-week rally Monday.

SoftBank Surges Over 11% as Son's AI Bet Extends Its Run

By Maya Suzuki | Science & Innovation Desk

Shares in SoftBank Group surged more than 11% Monday, among the strongest performers on the Nikkei 225, as renewed investor enthusiasm for artificial-intelligence infrastructure lifted the conglomerate toward levels not traded in months.

The rally extends a pattern that has defined SoftBank's stock performance for much of the past two years, with founder Masayoshi Son's aggressive bet on AI infrastructure — spanning chip design, data-center investment and stakes in AI-focused ventures — driving outsized swings in the company's share price in both directions depending on prevailing sentiment toward the sector.

SoftBank's exposure to the AI investment cycle runs through several distinct channels simultaneously: its Vision Fund portfolio of AI-focused startups, its ownership stake in chip designer Arm, and a growing set of direct investments in data-center and computing infrastructure that Son has described as central to the company's long-term strategy regardless of near-term market volatility.

Analysts remain divided on how to value SoftBank's sprawling portfolio of AI-related holdings, which spans everything from direct chip-design investments to large minority stakes in infrastructure companies still years away from profitability. Bulls argue the conglomerate's willingness to make large, long-term bets has historically been rewarded over sufficiently long time horizons; skeptics counter that the eventual accounting for today's ambitious valuations across the sector leaves more room for error than a comfortable investment thesis usually finds convenient to acknowledge.

Shares in SoftBank Group surged more than 11% Monday, among the strongest performers on the Nikkei 225, as renewed investor enthusiasm for artificial-intelligence infrastructure lifted the conglomerate toward levels not traded in months.

Kioxia Among Top Gainers as Memory-Chip Pricing Stays Firm

By Maya Suzuki | Science & Innovation Desk

Kioxia Holdings shares ranked among the standout performers on the Tokyo Stock Exchange Monday, as the memory-chip maker continued to benefit from tightening supply and rising prices in the memory market — a trend that has helped drive high-capacity storage and memory products well beyond the levels anticipated even a year ago.

Industry analysts note that memory-chip pricing has historically been among the most cyclical corners of the semiconductor industry, and caution that the current upswing, however strong, is unlikely to prove permanent — though it has not stopped investors from rewarding Kioxia and its peers for near-term momentum in Monday's trading.

Kioxia's production expansion plans, including capacity additions at its Yokkaichi and Kitakami facilities, have taken on additional significance amid current supply tightness, with the company accelerating certain investment timelines earlier in the year in response to customer demand that executives have described as outpacing the company's own internal forecasts set earlier in the cycle.

Whether the current memory-pricing environment extends into next year remains, among the more closely watched questions among analysts covering the memory-chip sector, given how directly Kioxia's near-term earnings trajectory depends on pricing conditions that have historically shifted with relatively little advance warning once supply catches up to demand.

Kioxia Holdings shares ranked among the standout performers on the Tokyo Stock Exchange Monday.

Advantest Rides Chip Equipment Demand to Fresh Gains

By Maya Suzuki | Science & Innovation Desk

Advantest, one of Japan's most important semiconductor equipment makers, posted solid gains Monday alongside the broader chip-sector rally, underscoring the extent to which Japanese firms sit at critical points in the global chain of tools and materials required to manufacture advanced processors.

The company, which makes testing equipment used throughout the chip industry, has benefited from sustained investment in AI-related semiconductor production capacity worldwide, with executives describing order backlogs as extending well into next year even as questions persist about the sustainability of the pace of global semiconductor capital spending.

Advantest's testing equipment plays a particularly important role for high-bandwidth memory chips, the specialized components mounted alongside AI processors to deliver the data throughput advanced AI models require, giving the company a position in the supply chain that executives describe as difficult for competitors to replicate given the specialized engineering knowledge involved.

Analysts covering the semiconductor equipment sector note that Advantest's order visibility, extending further into next year than is typical for the company, reflects the unusually long planning horizons chipmakers are now committing to as they build out AI-focused production capacity — a pattern equipment makers across the industry describe as both an opportunity and a risk should demand growth eventually moderate.

Advantest's testing equipment plays a particularly important role for high-bandwidth memory chips.

BUSINESS						
NIKKEI 225	TOPIX	JPY/USD	BRENT CRUDE	BOJ RATE	JGB 10Y	KOSPI
66,399.84 ▲2.12%	4,126 ▲0.55%	Strongest since Feb.	Elevated on Gulf risk	1.00%, hike odds 80%	Multi-decade high	▲4.61% record close

Nikkei Tops 66,400 as Narrow Rally Masks Broader Market Weakness

883 Prime Market stocks fell even as the headline index surged nearly 2.1% on a handful of AI-linked names

By Yuki Saito | Economics & Finance Reporter

Tokyo's benchmark Nikkei 225 climbed 2.12% Monday to close at 66,399.84, extending a rally built substantially on renewed enthusiasm for artificial intelligence and semiconductor stocks following reports of a significant new AI model expected to boost demand for computing power — even as the session's broader market internals told a considerably less bullish story.

Of the roughly 1,600 stocks listed on the Tokyo Stock Exchange's Prime Market, 883 declined Monday while only 630 advanced, according to exchange data, a divergence that reveals how concentrated the day's headline gain actually was. The broader Topix index, which weights constituents by market capitalization rather than share price, rose a comparatively modest 0.55% to 4,126 — a gap analysts describe as a textbook illustration of how the Nikkei's price-weighted structure can produce a considerably more optimistic headline number than the typical Japanese stock actually experienced.

The mechanics are straightforward once examined: a small cluster of very high-priced stocks, led by Kioxia trading near ¥58,780 and SoftBank Group approaching ¥6,000, carry disproportionate influence over the Nikkei precisely because of their elevated share prices rather than their total market value. SoftBank alone gained more than 11% Monday, a single stock's move large enough to meaningfully lift the entire 225-stock index on its own.

Decliners on the day included several precision-component and electronics-materials makers — Taiyo Yuden fell 5.4%, Murata Manufacturing dropped 4.8% and Ibiden slid 2.4% — names whose struggles were almost entirely obscured by Monday's headline index move despite representing a meaningfully larger share of actual trading activity than the handful of AI-linked gainers driving the Nikkei's advance.

The session unfolded with U.S. markets closed for the Labor Day holiday, leaving Asian and European trading desks to set the tone without the usual cross-Pacific signal from Wall Street. Regional peers moved in the same direction: South Korea's Kospi surged 4.61% to a record close, powered by Samsung Electronics and SK Hynix, while Australia's S&P/ASX 200 and mainland China's CSI 300 posted more modest gains.

Attention is now turning to Tuesday's revised Japanese GDP data and, beyond that, the Bank of Japan's Sept. 17-18 policy meeting, where market pricing has pushed the implied probability of a quarter-point rate increase to roughly 80% — a shift that has already driven 10-year Japanese government bond yields to their highest levels in three decades and left rate-sensitive shares trading with more caution than the Nikkei's headline strength this month would otherwise suggest.

Traders described Monday's session as an increasingly familiar pattern this year: geopolitical risk from the Gulf conflict, currency strength tied to BOJ policy expectations, and a narrow but powerful AI-driven rally in a handful of stocks all trading somewhat independently of one another rather than resolving into a single coherent market narrative.

Yen Hits Highest Level Since February as BOJ Hike Bets Climb

Currency's rise complicates exporter earnings outlook just as rate decision looms

By Yuki Saito | Economics & Finance Reporter

The yen rose to its strongest level against the dollar since February, extending a rally that has gathered pace over the past week as traders push the implied probability of a Bank of Japan rate increase at the Sept. 17-18 meeting to roughly 80%, according to interest-rate futures pricing.

The currency's advance comes ahead of Tuesday's revised second-quarter GDP release, which economists expect to show an upward revision to capital expenditure figures that would reinforce the case for tightening. The preliminary reading, published three weeks ago, undershot forecasts and briefly complicated the central bank's hiking timeline; a stronger revision would remove one of the more credible remaining arguments for delay.

Japanese government bond yields have moved in close step with the currency, with the 10-year benchmark trading near levels last seen in the mid-1990s — a climb that carries direct implications for government borrowing costs, corporate financing conditions, and increasingly for ordinary households as more mortgage products are written on variable-rate terms that expose borrowers directly to future BOJ decisions.

For Japan's major exporters, the yen's strength arrives at an awkward moment, complicating the translated-earnings picture just as several companies posted strong summer results attributable in part to a weaker currency. A sustained move toward a stronger yen would gradually erode that tailwind over coming quarters even without any change in the underlying operating performance of the businesses involved.

Bank of Japan Governor Kazuo Ueda has repeatedly signaled that further rate increases depend on confirmation that Japan's wage-price dynamic — in which rising wages support sustained, moderate inflation near the bank's 2% target — remains intact. Tuesday's GDP data is widely seen as the last major data point before the September meeting capable of meaningfully shifting that assessment in either direction.

Corporate treasurers at major exporters said they have taken note of the shifting rate environment, with several reviewing asset sales, cross-shareholding reductions and funding plans to lock in borrowing costs before any further Bank of Japan increases — a sign, analysts say, that the central bank's gradual policy shift is beginning to reshape corporate financial planning well beyond the government bond market itself.

IN BRIEF

Insurers Assess Rain-Related Claims as Rice Futures Edge Higher

Japanese non-life insurers said Monday they were assessing potential claims tied to the weekend's rain-related fatality and the broader flooding and landslide damage reported across affected regions, though analysts described the overall financial exposure as modest relative to the human toll given the localized nature of the worst damage. Rice futures ticked higher in thin trading, with traders citing concern that renewed heavy rain across growing regions in Tokai and Hokuriku could delay parts of this autumn's harvest just as this year's crop had been expected to bring meaningful price relief to households after three years of elevated prices. Shipping and logistics operators flagged continued schedule disruptions tied to both the rain emergency and the earlier Typhoon Kirogi, while utilities serving the most affected regions reported no significant outages as of Monday, having pre-positioned repair crews as a precaution in the days prior. Agricultural cooperatives in the affected growing regions said Monday they were still assessing the extent of any crop damage, with early field reports suggesting localized flooding in low-lying paddies rather than the kind of widespread damage that would meaningfully alter this year's harvest outlook, though officials cautioned a fuller assessment would take several more days.

SoftBank alone gained more than 11% Monday, a single stock's move large enough to meaningfully lift the entire 225-stock index on its own.

BUSINESS

Sony's Entertainment Bet Faces Fresh Currency Test

Strong summer results built partly on weak-yen tailwind now confront a strengthening currency

By Kenta Sakamoto | Data & Visualization Reporter

Sony Group's decision to pivot away from lower-margin consumer electronics and toward entertainment, gaming and content ownership has paid off handsomely this year, with the company's full-year operating profit outlook raised to ¥1.72 trillion after a quarterly operating profit that surged 40% year-on-year — but the yen's rise to its strongest level since February introduces a fresh variable to that trajectory just as the fiscal year's second half begins.

The company's games and network services segment, which includes the PlayStation business, saw operating income jump 37% to ¥202 billion even as sales were roughly flat, a divergence executives attributed substantially to the impact of U.S. tariff refunds, which the company expects to total roughly ¥80 billion in such refunds over the fiscal year.

Sony's continued build-out of its entertainment holdings — spanning music, film, television and anime streaming through its Crunchyroll platform — has been central to the company's investment thesis in recent years, and executives have cited higher revenue from Crunchyroll and stronger catalog product performance in its motion pictures division as contributing to the quarter's results.

The weaker yen that prevailed through much of the summer had provided a tailwind across Sony's international operations, inflating the yen value of overseas earnings when converted back for reporting purposes — a dynamic that has benefited most of Japan's major exporters this year but that now underscores how much of the current profit strength is attributable to currency movements that could reverse if the yen's recent strengthening trend continues.

Analysts covering Sony's semiconductor division, which supplies image sensors widely used in smartphone cameras and increasingly in automotive and robotics applications, noted that the segment's performance has been comparatively overshadowed by the entertainment and gaming results this earnings cycle, even as the sensor business continues to hold a dominant global market-share position that several analysts describe as underappreciated relative to the more headline-grabbing gaming and content divisions.

Sony Group's decision to pivot away from lower-margin consumer electronics and toward entertainment.

Toyota's Tariff and Currency Squeeze Continues Into New Fiscal Year

By Kenta Sakamoto | Data & Visualization Reporter

Toyota Motor's fiscal fourth-quarter results, reported earlier this year, laid bare the scale of the challenge U.S. tariffs and intensifying Chinese competition now pose to the world's largest automaker by sales, with operating profit falling 49% from a year earlier to ¥569.4 billion — well below the roughly ¥813 billion analysts had expected.

In an unusual move, Toyota said it adopted a six-month average for its foreign exchange assumptions for the current fiscal year, rather than its customary monthly average, citing ongoing currency volatility. The company set its planning assumption at ¥150 to the dollar — a weaker yen than the rate prevailing for much of the past year — and one that, if it holds, would provide a modest offsetting benefit given how much of Toyota's substantial overseas earnings are converted back into yen.

That planning assumption now faces a fresh test given the yen's rise to its strongest level since February. A currency that settles meaningfully stronger than Toyota's ¥150 planning rate would compound, rather than offset, the margin pressure the company is already absorbing from U.S. tariffs and an intensifying competitive challenge from Chinese automakers in export markets across Southeast Asia, Latin America and parts of Europe.

Despite the weak quarterly headline figure, Toyota's full-year net income attributable to the company rose to ¥817.2 billion from ¥664.6 billion a year earlier, reflecting gains elsewhere in the business even as operating profit trends have now declined for four consecutive year-over-year periods.

Competition from Chinese automakers, both within China and increasingly in export markets, has emerged as a structural challenge that Toyota executives describe as distinct from, and in some ways more concerning than, the more cyclical pressure from U.S. tariffs, given that Chinese manufacturers' rapid pricing and electric-vehicle technology gains show few signs of moderating regardless of currency movements.

That planning assumption now faces a fresh test given the yen's rise to its strongest level since February.

Yen Forecasts Revised Sharply as Rate Gap With U.S. Narrows

By Yuki Saito | Economics & Finance Reporter

Currency strategists at several major global banks moved quickly Monday to revise their yen forecasts following the currency's rise to its strongest level since February, with several houses now projecting a more sustained period of yen strength than they had anticipated just weeks earlier.

The revision reflects a narrowing of the interest-rate differential between Japan and the United States that had, for years, favored dollar-denominated assets — a gap now closing from both directions as the Bank of Japan moves toward a likely September rate increase while the Federal Reserve's own policy path has grown less certain following recent U.S. economic data.

A sustained stronger yen would carry genuinely mixed implications for Japan's economy: easing imported energy and food costs at a moment when the government has been working to address exactly those cost-of-living pressures, while simultaneously pressuring the translated earnings of major exporters that have benefited substantially from years of currency weakness.

Options market pricing suggests traders are bracing for continued volatility in the currency pair over coming weeks, with implied volatility on yen options climbing to levels not seen since earlier bouts of BOJ policy uncertainty, a signal derivatives desks describe as consistent with a market still working out how much further the currency's repricing has to run.

Retail foreign-exchange investors in Japan, who have built substantial positions in higher-yielding foreign currencies over years of near-zero domestic rates, face a particularly acute version of this repricing, with several brokerages reporting a pickup in inquiries about unwinding long-standing carry-trade positions as the yen's rally has accelerated.

The revision reflects a narrowing of the interest-rate differential between Japan and the United States that had.

Nippon Steel's U.S. Deal Remains Template Amid Currency Shift

By Kenta Sakamoto | Data & Visualization Reporter

Nippon Steel Corporation's acquisition of U.S. Steel Corporation remains the most closely watched example of Japanese capital flowing into strategically sensitive American industry, with the yen's rise to its strongest level since February now introducing a new variable to how the dollar-denominated transaction translates back into the company's financial reporting.

Trade officials say the deal's underlying structure — including the security agreement granting the U.S. government certain rights in the combined company — was designed to be resilient to exactly this kind of financial-market volatility, and neither side has signaled any interest in revisiting the arrangement's terms in response to currency movements alone.

Steelworkers at the combined company's Pennsylvania and Indiana facilities continue to offer a mixed assessment of operations under Japanese ownership more than a year in, with union representatives citing increased capital investment as a genuine positive while noting continued questions about long-term job security once specific numerical commitments made during the deal's approval process expire in coming years.

Trade officials say the deal's underlying structure.

Berkshire's Trading House Stakes Face Currency Crosswinds

By Kenta Sakamoto | Data & Visualization Reporter

Berkshire Hathaway's stakes in five of Japan's largest trading houses — Mitsubishi, Mitsui, Itochu, Sumitomo and Marubeni — face a new test from the yen's strengthening, since a portion of the conglomerates' earnings comes from overseas commodity and energy operations whose yen value would be reduced by a sustained stronger currency.

Analysts note the trading houses' drawn diversification across energy, metals, food and financial services has historically provided some insulation against single-factor shocks, a structural resilience that Warren Buffett has cited previously as central to his long-running interest in the sector.

Berkshire's stakes, first disclosed in 2020, have appreciated substantially since the initial investment, with all five trading houses posting share-price gains that have outpaced the broader Topix index over the holding period — a track record Buffett has cited approvingly in prior shareholder communications as validating the original investment thesis.

Japanese corporate governance specialists note that Berkshire's continued position as one of the largest foreign shareholders across all five major trading houses gives it a degree of informal influence over governance questions at each company, even though Berkshire has generally avoided the kind of activist positioning that would invite direct confrontation with existing management.

Berkshire Hathaway's stakes in five of Japan's largest trading houses.

Nikken Take-Private Bidding Continues Amid Market Volatility

By Kenta Sakamoto | Data & Visualization Reporter

Nikken Holdings, a Japanese logistics group specializing in automotive supply chain services, is set to hold a second round of bidding in the coming weeks as private equity investors Bain Capital and Lone Star Funds compete for the company, according to people with knowledge of the matter, a process that has continued without visible disruption from this week's currency and market volatility.

The potential deal is the latest in a wave of take-private transactions that have swept through corporate Japan in recent years, as governance reforms pushed by the Tokyo Stock Exchange have made public equity ownership less attractive for some companies relative to the operational flexibility private ownership can offer.

Nikken's logistics operations, concentrated in automotive supply-chain services, have faced pressure from rising fuel costs and driver shortages industry-wide, factors private equity buyers are said to view as opportunities for operational restructuring away from the scrutiny of quarterly public reporting cycles.

Bain Capital and Lone Star Funds bring different track records to the process, according to people familiar with the bidding, with Bain having a longer history of Japanese logistics-sector investment while Lone Star has more frequently pursued shorter-hold turnaround strategies — a distinction that people close to Nikken's board say is shaping how directors weigh the two final bids beyond price alone.

The potential deal is the latest in a wave of take-private transactions that have swept through corporate Japan in recent years.

Markets at a Glance

Compiled by the Business Desk

NIKKEI 225: 66,399.84, up 2.12% on the session. TOPIX: 4,126, up 0.55%. YEN: strongest against the dollar since February. JAPAN 10-YEAR JGB YIELD: near multi-decade highs amid BOJ policy normalization. BOJ RATE: 1.00%, hike odds near 80% for Sept. 17-18 meeting.

BRENT CRUDE: elevated on Gulf shipping risk. KOSPI (Seoul): up 4.61% to a record close. S&P/ASX 200 (Sydney): little changed. NOTABLE GAINERS IN TOKYO: SoftBank Group (+11%+), Kioxia, Fujikura, Advantest, Tokyo Electron.

NOTABLE DECLINERS: Taiyo Yuden (-5.4%), Murata Manufacturing (-4.8%), Ibiden (-2.4%). UPCOMING: Japan revised Q2 GDP data Tuesday. Okinawa gubernatorial election Sept. 13. Aki Basho sumo tournament opens Sept. 13. BOJ policy decision Sept. 17-18.

NOTABLE GAINERS IN TOKYO: SoftBank Group (+11%+), Kioxia, Fujikura, Advantest, Tokyo Electron.

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Births Data Draws Fresh Attention as Policy Debate Continues

First half-year rise in a decade remains a cautious data point as demographic questions persist

By Emi Kondo | Society & Local News Reporter

Japan recorded 342,068 births in the first half of 2026, a 0.8% increase over the same period last year and the first January-June rise in 11 years — a rare piece of encouraging news within an otherwise well-established demographic story that has continued to shape policy discussions this week alongside more urgent currency and weather-related news.

Health ministry officials continue to point to a modest post-pandemic rebound in marriages, alongside expanded government support for childcare and parental leave sustained over the past several years, as contributing factors, while cautioning against reading too much into a single half-year data point given Japan's 18 consecutive years of annual birth decline.

The government's broader demographic response has proceeded on several tracks simultaneously: expanded parental leave and childcare subsidies aimed directly at the birth rate itself, gradual immigration policy adjustments to admit more foreign workers, and incremental adjustments to the pension and health insurance systems intended to keep them solvent as the ratio of retirees to working-age taxpayers continues to narrow.

Regional disparities compound the challenge, with Tokyo recording the lowest fertility rate of any prefecture even as Okinawa has consistently posted the country's highest rates — a divergence that has fed a long-running policy debate over whether the concentration of young people in the capital, driven by employment and educational opportunity, is itself a contributing factor to the national birth-rate decline.

Demographers caution that a single half-year uptick, however welcome, should not be read as evidence that Japan's long-term birth-rate decline has fundamentally reversed course, noting that similar brief upticks have occurred at several points over the past two decades without altering the underlying downward trajectory in any lasting way.

Corporate Japan's own response to the demographic pressure has evolved considerably in recent years, with a growing number of major employers expanding parental leave benefits and flexible work arrangements beyond the statutory minimum, changes business groups attribute partly to genuine social commitment and partly to the practical necessity of remaining competitive for scarce younger talent in an increasingly tight labor market.

Japan recorded 342,068 births in the first half of 2026.

Japan's Aging Society: A Policy Challenge That Outlasts Any Single News Cycle

By Naomi Kato | Culture & Society Editor

Behind the headline birth and death figures released each year lies a policy challenge that touches nearly every corner of Japanese governance: a shrinking working-age population supporting a growing share of retirees, with each passing year straining the social insurance system with each passing year regardless of short-term fluctuations in the birth rate.

The government's response has proceeded on several tracks simultaneously: expanded parental leave and childcare subsidies aimed directly at the birth rate, gradual, politically sensitive increases in the number of foreign workers admitted under various visa programs, and incremental adjustments to pension and health insurance financing intended to keep both systems solvent as the working-age-to-retiree ratio continues to narrow.

None of these measures is likely to reverse a demographic trajectory that has been decades in the making, and officials across the political spectrum increasingly describe the goal as managing decline responsibly rather than reversing it outright — a shift in framing that would have been considered politically risky to state so plainly only a few years ago.

Municipal governments in some of the most severely depopulated regions have begun experimenting with more radical policy responses, including direct cash incentives for young families to relocate and consolidated public services designed around a smaller, older population, approaches that demographers describe as a pragmatic adaptation rather than a solution to the underlying national trend.

None of these measures is likely to reverse a demographic trajectory that has been decades in the making.

Silver Week Travel Preparations Underway as Weather Watched Closely

By Emi Kondo | Society & Local News Reporter

Japan's so-called Silver Week — a cluster of public holidays that this year produces a five-day break from Sept. 19 to 23 — is expected to draw significant domestic and international travel, with airlines and railway operators reporting advance booking volumes running ahead of the equivalent period last year even as travelers keep a watchful eye on whether the current unsettled weather pattern will have cleared by the holiday's start.

Travel industry associations say this year's slate of destinations continues to emphasize regional tourism recovery, with several tourism-dependent regions hoping the holiday period provides a meaningful boost after a summer complicated at various points by both the Kumamoto earthquake recovery and this week's rain emergency.

Railway operators say advance reservations for Silver Week's peak travel days are running ahead of last year's pace, a trend industry analysts attribute partly to the improving weather outlook heading into the holiday period and partly to a broader continuation of the domestic travel recovery that has characterized much of the past two years.

Travel industry associations say this year's slate of destinations continues to emphasize regional tourism recovery.

Rice Prices Set to Fall Further, But Rain Adds a Late Complication

New harvest was expected to bring continued relief; heavy rain in growing regions introduces fresh uncertainty

By Grace Park | Food & Restaurant Columnist

Japanese households have been expecting continued relief at the rice aisle this autumn following a multi-year price crisis, but this week's heavy rain across growing regions in Tokai and Hokuriku has introduced a fresh variable into what had, until recently, looked like an increasingly settled recovery story.

The 'Reiwa rice crisis,' as Japanese media dubbed the period beginning with a poor 2023 harvest, combined a weather-driven supply shortage with tourism-driven demand surge to send the price of a five-kilogram bag of domestic rice from around ¥2,300 as high as ¥4,800 or more at the peak — a near-doubling that made rice a cultural touchstone as much as a commodity in national politics.

Government data has tracked the crisis's gradual resolution over the course of this year: rice price inflation, which ran above 27% year-on-year as recently as January, had slowed to around 17% by February and continued to moderate since, even as prices remain well above the levels households grew accustomed to before 2023.

Traders said Monday that rice futures ticked modestly higher amid concern that the current heavy rain could delay parts of the autumn harvest in affected growing regions, a complication that arrives at a politically sensitive moment given that the Diet is simultaneously preparing to take up a separate cut to the consumption tax on food this month.

Agricultural economists caution that the rain's ultimate effect on harvest timing and yield remains genuinely uncertain this early, and that the broader structural questions the crisis exposed about Japan's decades-old production-adjustment system are likely to persist as a policy debate regardless of how this particular harvest turns out.

Regional harvest reports filtering in from other rice-producing prefectures have broadly echoed the pattern of cautious optimism tempered by the rain's uncertain effect, with agricultural trade publications suggesting the price relief is likely to be felt nationally rather than concentrated in any single growing region once the current weather disruption clears.

Consumer advocacy groups have urged the government to maintain close monitoring of retail rice prices through the harvest transition, noting that previous cycles of wholesale price relief have not always translated fully or immediately into equivalent savings for households at the retail level, a gap that drew significant public criticism during the earlier phase of the price crisis.

Japanese households have been expecting continued relief at the rice aisle this autumn following a multi-year price crisis.

Autumn Flavors Arrive as Sanma and Matsutake Season Begins

By Grace Park | Food & Restaurant Columnist

September's arrival brings one of the Japanese culinary calendar's most anticipated transitions, as sanma — Pacific saury — and matsutake mushrooms begin appearing on menus and in fish markets nationwide, marking the shift from summer's heavier, cooling dishes toward the richer flavors associated with autumn.

Sanma, traditionally grilled whole with little more than salt and a squeeze of citrus, has long been considered one of the most quintessentially autumnal foods in Japan, prized for its rich, oily flesh at this point in its migratory cycle, though catch volumes have fluctuated in recent years amid ocean-condition shifts that have made the fish's own seasonal narrative among domestic consumers and restaurateurs a closely watched story in its own right.

Matsutake mushrooms, meanwhile, remain among the most expensive ingredients in Japanese cuisine, prized for their distinctive aroma and traditionally served in delicate preparations such as matsutake dobin-mushi, a clear broth steamed in a small ceramic teapot, or simply grilled and finished with a few drops of citrus juice.

Domestic matsutake supply has fallen sharply over long-term decades as changes to forest management and climate patterns have reduced the pine forests where the mushroom naturally grows, leaving Japan's restaurant industry increasingly dependent on imports from South Korea, China and North America to meet seasonal demand at price points more accessible than the scarce domestic crop alone could support.

September's arrival brings one of the Japanese culinary calendar's most anticipated transitions.

Food Tax Cut Details Finalized Ahead of Diet Vote

By Grace Park | Food & Restaurant Columnist

Details of the government's planned two-year cut to the consumption tax on food, from the standard 8% rate to just 1%, are being finalized ahead of a Diet vote expected this month, with officials describing the measure as designed to deliver visible relief at the checkout counter rather than through indirect subsidies used in previous rounds of cost-of-living support.

Retailers and restaurant groups have generally welcomed the move, though some have privately raised practical concerns about the administrative burden of adjusting pricing systems on a compressed timeline, particularly for smaller, independently owned grocers and restaurants that lack the dedicated compliance staff of larger chains.

Consumer groups have pressed the government for clearer guidance on which specific food categories qualify for the reduced rate, noting that Japan's existing reduced consumption-tax framework for food already contains edge cases — prepared meals consumed on-premises versus takeaway, for instance — that have historically generated confusion at the point of sale, a complexity officials say the new legislation will attempt to address directly.

Details of the government's planned two-year cut to the consumption tax on food.

REAL ESTATE & CULTURE

Tokyo Condo Prices Hold Above ¥140 Million as Rate Outlook Shifts

Record affordability pressure meets a Bank of Japan poised to raise rates further this month

By Kenji Fukuda | Real Estate & Urban Development

The average price of a new condominium in the greater Tokyo metropolitan area surpassed ¥140 million for the first time in the first half of 2026, according to the Real Estate Economic Institute, a milestone that underscores both the strength of Japan's property market and the affordability pressures increasingly facing ordinary buyers even before this week's currency and interest-rate developments are factored in.

The figure, covering Tokyo and the three neighboring prefectures of Saitama, Kanagawa and Chiba, rose 13.1% from a year earlier to ¥101.35 million. Within Tokyo's 23 wards specifically, the average price climbed 9.1% to a record ¥142.49 million, marking the fourth consecutive January-to-June period in which prices in the capital's core exceeded the ¥100 million threshold.

The supply side of the equation has been at least as important in driving prices higher. The number of new condominium units brought to market across the region fell 0.8% from a year earlier to 7,989 units in the first half, the second-lowest level on record and the third consecutive year in which first-half supply has remained below 10,000 units.

Real estate economists attribute the persistent scarcity to a combination of soaring construction costs, land shortages in central wards, and developers' reluctance to launch large-scale projects amid persistently high financing costs — a dynamic now facing a further test given market expectations that the Bank of Japan will raise its policy rate again at its Sept. 17-18 meeting, its highest level in three decades.

'Even if prices ease somewhat in the autumn, they are likely to remain close to ¥100 million,' said Tadashi Matsuda, a researcher at the Real Estate Economic Institute, describing the current price level as reflecting structural rather than purely cyclical factors.

First-time buyers have been disproportionately affected by the sustained price climb, with mortgage brokers reporting a steady lengthening of average loan terms and a growing share of buyers relying on multigenerational household financing arrangements to qualify for the loan amounts current prices now require in the capital's most desirable wards.

Developers themselves describe a market that remains fundamentally supply-constrained rather than demand-driven, citing land scarcity in central Tokyo, elevated construction-material costs, and persistent labor shortages in the construction trades as structural factors likely to keep new supply well below historical norms regardless of how buyer demand evolves in response to interest-rate changes.

The supply side of the equation has been at least as important in driving prices higher.

National Land Prices Extend Gains as Regional Markets Catch Up

By Kenji Fukuda | Real Estate & Urban Development

Japan's average nationwide land price rose 2.8% as of Jan. 1, 2026, according to the official land price survey released earlier this year by the Ministry of Land, Infrastructure, Transport and Tourism — the fifth consecutive annual increase and the strongest gain since 1992, a marker of just how far the country's property market has traveled from the deflationary decades that followed the original bubble's collapse.

Commercial land led the advance, rising 4.3% nationally, while residential land increased 2.1%. Perhaps more notable than the headline figures is the increasingly broad geographic distribution of the gains: regional cities such as Fukuoka posted residential growth of 9.0%, while resort destinations including Hakuba recorded increases of more than 30%, driven substantially by international demand for vacation and investment properties.

The spread of price growth beyond Tokyo marks a shift from earlier phases of the current cycle, in which gains were concentrated almost entirely in the capital and a small number of other major cities. Real estate economists attribute the broadening to a combination of factors: sustained inbound tourism, foreign investment interest in Japanese property as a relative-value proposition compared with other developed markets, and, in some regional cities, genuine improvements in local economic conditions.

The survey's release each year has become something of an annual barometer for how thoroughly Japan has shaken off the deflationary psychology that dominated the decades following the original property bubble's collapse, with this year's fifth consecutive increase read by many economists as confirmation that a genuine, structural shift in market expectations has taken hold rather than a temporary cyclical bounce.

Commercial land led the advance, rising 4.3% nationally, while residential land increased 2.1%.

Tokyo Weighs New Rules on Foreign Property Ownership

By Kenji Fukuda | Real Estate & Urban Development

The government is preparing to consider new restrictions on foreign ownership of Japanese real estate, with discussions on the matter expected to feature in next year's regular Diet session, according to policy analysts tracking the issue — a potential shift for a country that has historically placed no nationality-based restrictions on property purchases.

Any move to tighten the rules would need to balance several competing considerations: the substantial contribution foreign capital has made to Japan's real estate investment volumes and construction activity in recent years, against growing domestic political sensitivity around housing affordability, and in some cases, national security concerns regarding foreign ownership of land near sensitive infrastructure.

Real estate industry groups have urged the government to proceed cautiously, arguing that foreign investment volumes made a significant contribution to Japan's real estate market recovery in years when domestic institutional buyers were less active, and that a poorly targeted restriction could deter exactly the kind of long-term capital the market has benefited from without meaningfully addressing the affordability pressures driving the current policy debate.

The government is preparing to consider new restrictions on foreign ownership of Japanese real estate.

Detective Conan Extends Lead at Japan's Box Office Through Late Summer

Anime and family franchises continue to dominate domestic cinema as the autumn slate approaches

By Naomi Kato | Culture & Society Editor

Japan's domestic box office in 2026 remains ruled by homegrown animation, with 'Detective Conan: Fallen Angel of the Highway' standing as the year's top-grossing release through late summer, having earned roughly ¥13.70 billion — the latest installment in a long-running franchise that has become as reliable a fixture of the Japanese cinematic calendar as any release in the industry.

'Chiikawa the Movie: The Secret of the Mermaid Island,' an adaptation of the wildly popular manga and social-media character franchise, follows closely behind with roughly ¥12.23 billion, underscoring how thoroughly character-driven family animation continues to dominate Japanese theatrical revenue even as the broader domestic box office has weathered a difficult few years of post-pandemic attendance recovery.

The rest of the year's top performers reads as something of a survey of Japan's most durable entertainment properties: 'Kingdom 5: The Clash of Souls' placed third with roughly ¥6.39 billion, followed by the romance drama 'Until We Meet Again' and 'Doraemon: New Nobita and the Castle of the Undersea Devil,' the latter extending a franchise that has produced an annual theatrical release for decades.

Industry watchers note that the strength of Japan's 2026 box office, while encouraging, has been driven overwhelmingly by a narrow band of established franchises rather than a broader recovery across the full range of theatrical releases — a concentration that mirrors similar dynamics in film markets worldwide, where a shrinking number of reliable franchise properties account for an increasingly large share of total box office revenue.

International distribution rights for several of this year's top Japanese releases have become an increasingly significant revenue stream in their own right, with both 'Detective Conan' and 'Chiikawa' securing theatrical releases in multiple overseas markets, a pattern industry executives describe as reflecting the growing global commercial viability of Japanese animation well beyond the streaming-driven international fanbase that first drove overseas interest in the medium.

Japan's domestic box office in 2026 remains ruled by homegrown animation.

What's Coming This Autumn: A Guide to the Season's Anime and Film Slate

By Naomi Kato | Culture & Society Editor

Beyond the widely anticipated 'Sound! Euphonium' finale and 'We Are Aliens,' the coming weeks bring a dense slate of theatrical anime releases spanning long-running franchise entries, original productions and genre experiments alike — a variety industry analysts say illustrates how broad the anime theatrical market has become well beyond the delayed, piecemeal international localization that characterized the industry a decade ago.

Streaming has continued to reshape how much of this content reaches audiences outside Japan, with several of the season's television-format anime series receiving simultaneous international distribution rather than the delayed, piecemeal localization that characterized the industry a decade ago — a shift that, according to industry analysts, has meaningfully expanded the overseas revenue available to Japanese studios and rights holders.

For domestic audiences, the autumn season also traditionally marks a modest uptick in theatrical attendance as cooler weather arrives, a pattern exhibitors are hoping continues this year after a mixed summer box office that has faced pressure from the broader cost-of-living squeeze that has dominated economic headlines for much of the past three years.

Production committees behind several of the season's most anticipated releases have leaned more heavily on international pre-sales than in past years, according to industry financing sources, a shift that reflects both the growing overseas appetite for Japanese animation and studios' own interest in diversifying revenue away from a domestic theatrical market that remains sensitive to exactly the kind of consumer spending pressure now weighing on household budgets.

Streaming has continued to reshape how much of this content reaches audiences outside Japan.

EDITORIAL & OPINION



TODAY'S CARTOON

"They negotiate with one hand and mine the strait with the other."

— Taro Suzuki, Staff Cartoonist. Credit: The Japan Morning Post.

Today's cartoon lands alongside this morning's lead story: Iran's expanded claims of tanker strikes and an unconfirmed attack on a U.S. unmanned vessel, set against the parallel negotiating track both sides say remains open even during weeks of active fighting.

The cartoon's placement here, rather than on the front page, is deliberate. This newspaper keeps opinion journalism — including its editorial cartoon — visibly separate from its news reporting, so a reader can always tell which pages report and which argue.

A Government Tested by Three Crises at Once

Currency strength, a rain emergency and a coming reshuffle are, together, a genuine test of governing capacity

By Samantha Ortiz | Editorial Page Editor

There is a version of the past week that reads as unremarkable: markets moved, the weather turned difficult in places, and a prime minister proceeded with a reshuffle she had already planned. There is another version, closer to the truth, in which Japan's government spent the past several days simultaneously managing a surging currency with direct implications for the export economy, a rain emergency that has now claimed a life, and the final preparations for a Cabinet reshuffle — all while an ongoing war in the Middle East continued to generate fresh claims and counterclaims with each passing day.

None of these developments, individually, would be considered extraordinary by the standards of a government that has already navigated a currency crisis, a historic earthquake and a rice-price shock severe enough to reshape national politics within a single year in office. What is worth noting is how routinely unremarkable Prime Minister Sanae Takaichi's public handling of this particular week has been — a low-key, procedurally steady posture that this newspaper has come to expect from her administration, for better and for worse.

The steadiness has a cost, and it is one Takaichi's critics have been quick to identify: a government that manages crises competently but rarely offers a compelling account of where it intends to lead the country once the immediate emergencies pass. That criticism has merit. But it should be weighed against the alternative this newspaper has watched play out in other governments, in Japan and elsewhere, where crisis management becomes an opportunity for dramatic reinvention rather than steady execution — a pattern that has, more often than not, produced worse outcomes than the quieter path Takaichi has chosen.

The coming reshuffle will be the clearest test yet of whether that steadiness reflects genuine governing capacity or simply a lack of better options. A Cabinet that emerges from this week's currency and weather pressures largely unchanged, retaining the same finance, defense and foreign affairs ministers who have already navigated six months of overlapping crises, would be the strongest evidence yet that Takaichi's approach is a deliberate strategy rather than an absence of one.

This newspaper does not pretend that steadiness alone answers every question voters are entitled to ask of their government. A cost-of-living squeeze that has run for three years, a demographic decline that no single policy has meaningfully slowed, and a security environment that has grown more complicated on multiple fronts simultaneously all deserve more than competent crisis management as an answer. But they deserve, first, a government capable of getting through the crisis of the week without making the underlying problems worse — and on that narrower, more immediate test, this week's record holds up.

This newspaper does not pretend that steadiness alone answers every question voters are entitled to ask of their government.

One Death Is One Too Many, But the System Largely Worked

By Daisuke Ito | Investigations & Longform

This week's confirmed fatality from rain-triggered conditions is a genuine tragedy, and this newspaper does not intend the observations that follow to minimize it. But it is also worth stating plainly what did not happen: a weather system that dumped more than 300 millimeters of rain on parts of the country in a single 48-hour window did not produce the kind of mass-casualty event that comparable storms have inflicted on other countries, or on Japan itself in prior decades.

That outcome reflects decades of accumulated investment in exactly the kind of early-warning systems, evacuation infrastructure and public preparedness campaigns that rarely generate headlines when they succeed, precisely because success looks like nothing happening. The Meteorological Agency's landslide and flooding advisories, issued well before the heaviest rain bands arrived, are part of a system this newspaper has praised before and will praise again: unglamorous, expensive, and worth every yen.

The overlap with Kumamoto's ongoing earthquake recovery deserves particular attention. That the country's disaster-response infrastructure, built rapidly for one hazard, could be extended with relatively modest reconfiguration to help manage an entirely unrelated one is a genuinely encouraging sign about the underlying design of Japan's newest emergency-management tools — even as officials are right to acknowledge, as several have this week, that a third simultaneous emergency would test that flexibility considerably further.

There is a broader lesson here worth stating plainly, since this newspaper intends to keep returning to it: disaster preparedness that works is, definitionally, invisible in its successes and visible only in its failures. The public conversation this week has rightly focused on the one life lost. It should also make room, without minimizing that loss, for honest acknowledgment of the considerably longer list of harms that did not occur — a list that exists specifically because of investments made before anyone knew which storm, or which earthquake, they would eventually be tested against.

The overlap with Kumamoto's ongoing earthquake recovery deserves particular attention.

A Stronger Yen Is Not Automatically Good News

By Kenji Fukuda | Real Estate & Urban Development

There is a temptation, visible in some of this week's commentary, to treat the yen's rise to its strongest level since February as straightforwardly good news — a long-overdue correction after years of currency weakness that made imported food and energy more expensive than they needed to be. That temptation should be resisted, or at least qualified considerably.

A stronger yen does ease import costs, and for households that have spent three years absorbing food-price inflation driven substantially by currency weakness, that relief is real and welcome. But it also erodes the translated earnings of the export sector that has driven much of Japan's corporate profit growth and stock market strength in recent years, a sector that employs a very large share of the workforce either directly or through extensive domestic supply chains.

The honest position, and the one this newspaper holds, is that neither a weak yen nor a strong one is inherently good for Japan; each simply redistributes costs and benefits differently across households, exporters and the broader economy. What matters more than the currency's level at any given moment is whether the Bank of Japan can navigate the transition between the two regimes without triggering the kind of disorderly market adjustment that would harm everyone regardless of which side of the yen's swings they happen to sit on.

Households who have spent three years absorbing the costs of a weak currency are entitled to some relief now, and this newspaper does not begrudge them that. But relief arriving through a currency swing rather than through deliberate policy is, by its nature, unstable — subject to reversal the moment monetary conditions shift again. The more durable answer to cost-of-living pressure remains the one this newspaper has argued for consistently: policies that address the underlying structural drivers of household costs, rather than currency movements that happen to point in a helpful direction this particular month.

That temptation should be resisted, or at least qualified considerably.



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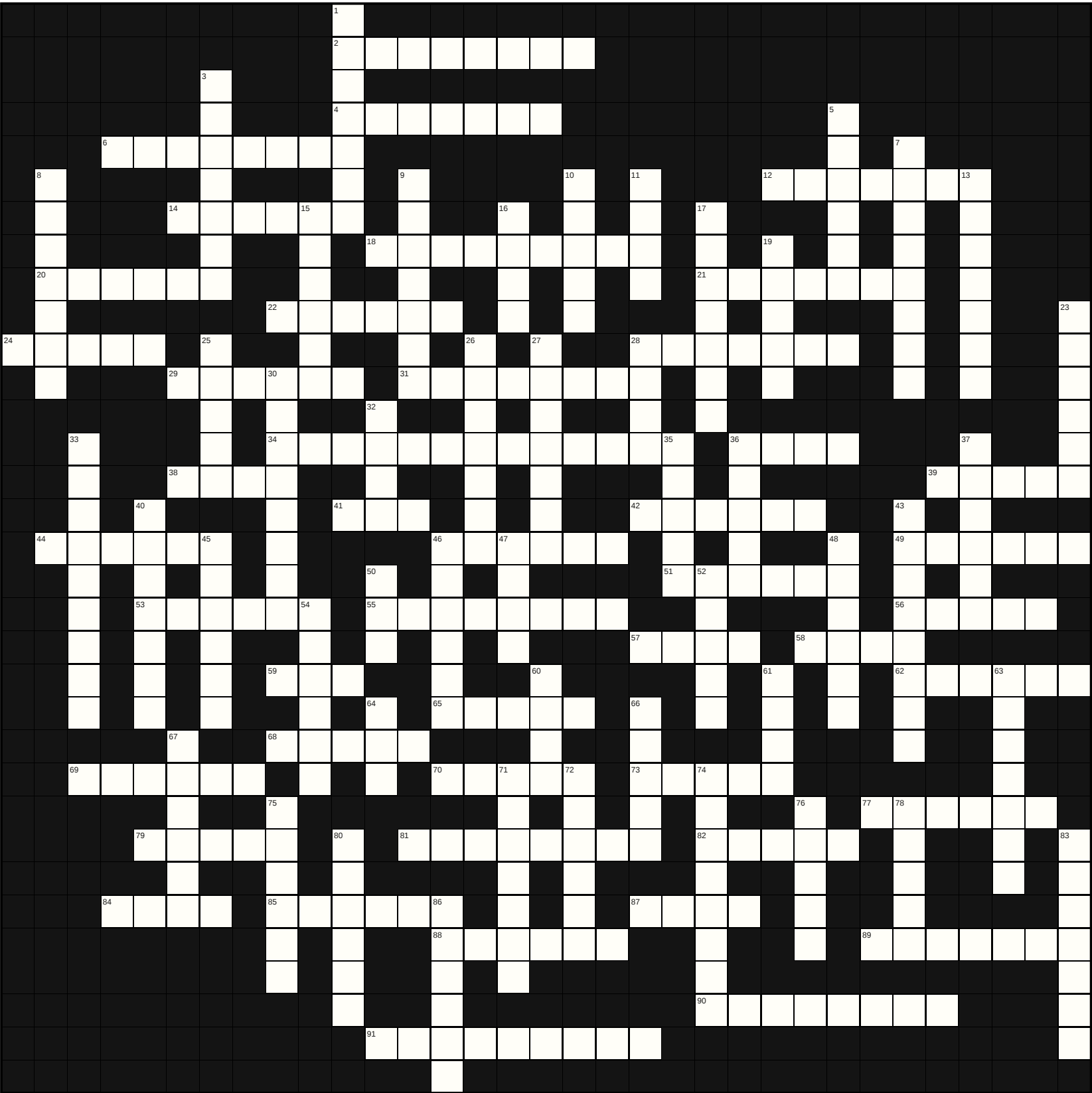
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CROSSWORD PUZZLE

Today's Professional Puzzle — Constructed by James O'Neill — 94 Words



Solution will appear in tomorrow's edition. Puzzle difficulty: Professional / Sunday-level.

ACROSS

2. The U.N. General ___, opening this month (8)
4. Autumn rice ___, now facing rain delays (7)
6. Japan's prime minister, Sanae ___ (8)
12. Art of paper folding (7)
14. Classical Japanese drama form (6)
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88. High-level meeting of leaders (6)
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91. Rain-triggered hazard under active warning (9)

DOWN

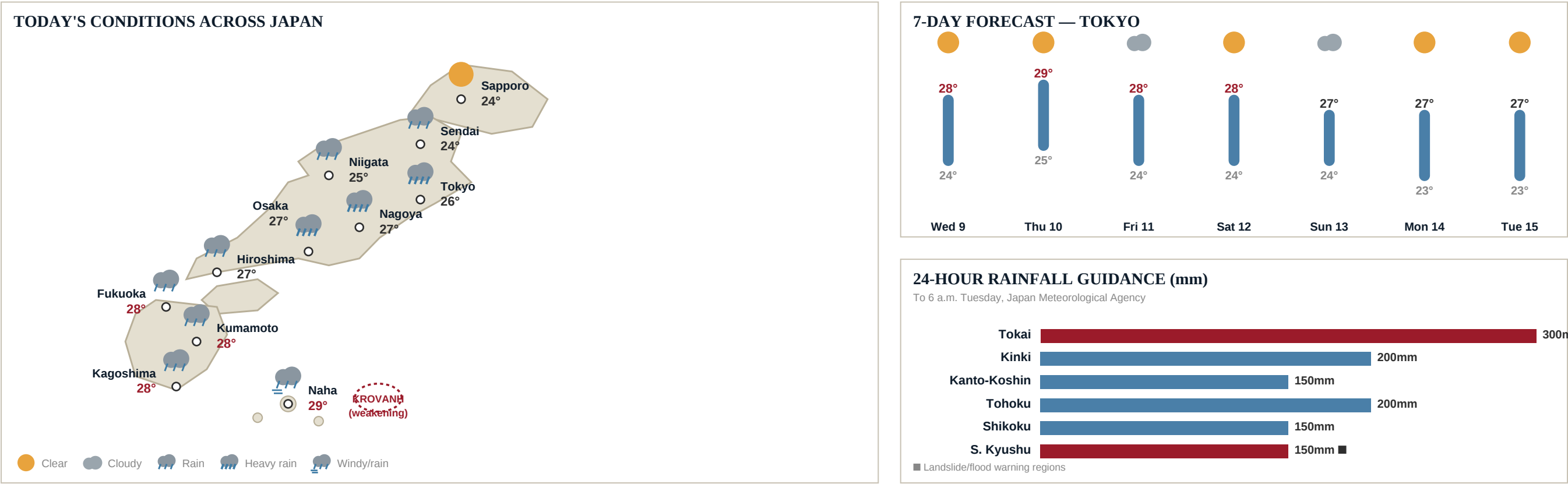
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3. Trade minister assessing yen's trade impact (7)
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WEATHER & ENVIRONMENT



26°C

Tokyo — Rain, remnant moisture from Tropical Storm Krovanh



TOKYO METROPOLITAN AREA — Tuesday, September 8, 2026

Morning: Rain continuing but gradually tapering, 24°C, as the remnants of the stalled autumn rain front finally begin pulling away from the Kanto region. Humid with winds from the southwest at 15 km/h. Sunrise 5:17 a.m.

Afternoon: Clearing from the west, high near 27°C, with morning cloud giving way to hazy sunshine by mid-afternoon as Tropical Storm Krovanh's influence, now reduced to a weakening depression well east of Okinawa, finally wanes across the country.

Evening: Mostly clear, cooling to 25°C by 9 p.m. Sunset 6:00 p.m. A marked improvement from recent evenings, with umbrellas no longer necessary for most commutes.

Overnight: Clear and mild, lows near 22°C. Light winds. The first genuinely dry overnight period in nearly a week across most of central Japan.

RAIN EMERGENCY: WHERE THINGS STAND

The Meteorological Agency confirmed Monday that heavy rain tied to Tropical Storm Krovanh's remnant moisture and a stalled autumn rain front had produced Japan's first weather-related fatality of the season, even as the heaviest rain bands began moving offshore by Monday evening. Landslide and flooding advisories remain in effect for southern Kyushu and parts of Hokuriku, where soil saturation from earlier rain this month continues to elevate risk even as skies clear elsewhere. The agency's advice remains consistent: monitor local river-level and landslide warnings directly rather than assuming conditions have fully stabilized simply because the rain itself has stopped in a given location. Full coverage, Page 6.

UV INDEX & AIR QUALITY

UV Index: 6 (High) by afternoon as skies clear, up from recent days' cloud-suppressed readings. Air Quality Index: Good, with recent rain having cleared haze and particulates from the air. Pollen: Negligible.

SEVEN-DAY EXTENDED FORECAST FOR TOKYO

Wednesday, Sept. 9: High 28°C, low 24°C. Mostly sunny and warm, a full return to late-summer conditions.

Thursday, Sept. 10: High 29°C, low 25°C. Sunny and humid, continuing the warming trend.

Friday, Sept. 11: High 28°C, low 24°C. Partly cloudy with a slight chance of an isolated afternoon shower; otherwise dry.

Saturday, Sept. 12: High 28°C, low 24°C. Warm and humid with hazy sunshine, comfortable for weekend plans.

Sunday, Sept. 13: High 27°C, low 24°C. Partly cloudy. Sumo fans arriving at Ryogoku Kokugikan for the Aki Basho's opening day, and Okinawa voters heading to the polls, should find comfortable conditions in their respective regions.

Monday, Sept. 14: High 27°C, low 23°C. Mostly sunny with early signs of gradually easing humidity as the week progresses.

Tuesday, Sept. 15: High 27°C, low 23°C. Mostly sunny and warm, continuing the settled pattern.

REGIONAL FORECASTS

Sapporo: Sunny and mild, high near 24°C. Hokkaido has remained clear of both the storm and the rain front throughout, with no disruption expected through the week.

Sendai: Clearing skies, high near 25°C, as Tohoku's share of the rain front finally pulls away.

Niigata: Clearing, high near 26°C, with the Hokuriku region's landslide risk remaining elevated even as rain itself has stopped; rice-harvest activity expected to resume in earnest by midweek.

Nagoya: Clearing after a soaked weekend, high near 28°C. The Tokai region absorbed the heaviest rainfall totals of anywhere in the country and continues cleanup from flooding and minor landslide damage in low-lying and hillside areas.

Osaka-Kobe: Clearing, high near 28°C, with the Kinki region's rain finally easing after two consecutive days of accumulation.

Hiroshima: Clearing, high near 28°C, tracking the Kinki region's improvement.

Fukuoka: Improving but still unsettled, high near 29°C, as southern Kyushu continues to manage the highest landslide risk in the country given already-saturated soil from earlier rain this month.

Kumamoto: Clearing, high near 29°C. Disaster-recovery officials say earthquake reconstruction work is resuming at normal pace after the brief rain-related pause, even as the cancellation of Yatsushiro's autumn festival parade

Kagoshima: Improving, high near 29°C, with southern Kyushu remaining the region of greatest continued concern for landslides.

Naha (Okinawa): Sunny and humid, high near 30°C, as Typhoon Krovanh's remnants move well away to the east. Ferry services to Okinawa's outer islands have resumed normal schedules, and campaign officials for Sunday's gubernatorial election say the final week of campaigning should proceed without further weather disruption.

EXTENDED OUTLOOK (September 9-15)

A clear, settled pattern is expected to take hold across most of the country by Wednesday as both Tropical Storm Krovanh's remnants and the stalled autumn rain front finally clear out, giving way to a return of warm, hazy, late-summer conditions that should persist through the Aki Basho's Sept. 13 opening and toward the Sept. 19-23 Silver Week holiday period. Forecasters caution that this year's typhoon season remains above average in overall activity, and continue to monitor the western Pacific for further tropical development even as the immediate outlook turns favorable.

ALMANAC

Today's sunrise: 5:17 a.m. Today's sunset: 6:00 p.m. Day length: 12 hours, 43 minutes, continuing to shorten by roughly two minutes daily as the autumnal equinox approaches later this month. Moon phase: Waning gibbous. Tokyo Bay tide times: high tide 7:02 a.m. and 7:31 p.m.; low tide 1:12 p.m. Barometric pressure: 1011 hPa and rising, consistent with clearing conditions.

CLASSIFIEDS & NOTICES

CLASSIFIEDS, LEGAL NOTICES & ANNOUNCEMENTS

PROFESSIONAL SERVICES

TANAKA & ASSOCIATES: Corporate tax advisory for foreign-affiliated firms operating in Japan. Consultations in English and Japanese. inquiries@tanaka-tax.jp

OTEMACHI TRANSLATION BUREAU: Certified legal and financial document translation, Japanese-English-Mandarin. Same-week turnaround available. orders@otemachitranslation.jp

MERIDIAN RELOCATION SERVICES: Full-service relocation support for incoming executives and families, including school placement and housing search. Tokyo, Osaka, Nagoya offices. info@meridianrelo.jp

KANDA ACCOUNTING GROUP: Bookkeeping, payroll and statutory filing for small and mid-sized foreign subsidiaries. First consultation complimentary. contact@kandaaccounting.jp

MARUNOUCHI INTERNATIONAL LAW PARTNERS: Cross-border commercial contracts, employment law and regulatory compliance for foreign-affiliated businesses. Consultations by appointment. info@marunouchilaw.jp

OTEMACHI CURRENCY RISK ADVISORY: Hedging strategy consultations for exporters navigating this week's yen movement, offered on an expedited basis given current market conditions. hedging@otemachifx.jp

BUSINESS DIRECTORY

Accounting & Tax: Kanda Accounting Group, Tanaka & Associates Legal Services; Marunouchi International Law Partners, Otemachi Legal Group
Relocation & Immigration: Meridian Relocation Services, Tokyo Visa Consultants
Translation & Interpretation: Otemachi Translation Bureau, Shibuya Language Partners
Commercial Real Estate: Chiyoda Commercial Properties, Tokyo Office
Advisors
Currency & Risk Advisory: Otemachi Currency Risk Advisory

SUBSCRIPTION INFORMATION

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EMPLOYMENT

BILINGUAL FINANCE MANAGER sought by a mid-sized manufacturing subsidiary in Yokohama; JGAAP and IFRS experience preferred. Apply via careers@ykfinance.jp

TRANSLATION PROJECT COORDINATOR, part-time, Otemachi office; Japanese-English fluency required. Send resume to hiring@otemachitranslation.jp

ADDITIONAL PROPERTY LISTINGS

AZABU: Renovated 3-bedroom townhouse, 142 sq m, private garden, two parking spaces. Reference AZ-2026-07.

DAIKANYAMA: Boutique 1-bedroom near station, 52 sq m, designer fittings. Reference DK-119.

YOKOHAMA MINATO MIRAI: Waterfront 2LDK with bay views, 88 sq m, 24-hour concierge. Reference YMM-330.

SETAGAYA: Family house, 4LDK, 168 sq m, near international school. Reference STG-812.

COMMERCIAL: Ginza street-level retail space, 210 sq m, high foot traffic. Inquire for lease terms. leasing@ginzaproperties.jp

PUBLIC NOTICES

The Chiyoda Ward Office announces revised recycling collection schedules effective Oct. 1. Details available at ward offices and online.

RAIN EMERGENCY ADVISORY: Residents in low-lying areas of Tokai, Kinki and Hokuriku prefectures are advised to continue monitoring local river-level and landslide warnings through midweek even as skies clear, given continued soil saturation in the most affected areas. Municipal offices in affected wards have maintained extended emergency-supply distribution hours; residents should consult ward websites for the nearest location.

TRANSPORT ADVISORY: Ferry services to Okinawa's outer islands have resumed normal schedules following Typhoon Krovanh's departure from the region. Travelers should confirm sailings directly with operators given the possibility of continued minor scheduling adjustments.

CORRECTIONS & CLARIFICATIONS: An item in Monday's edition regarding Bank of Japan meeting scheduling should have specified that the September policy meeting spans two days, Sept. 17 and 18. The Japan Morning Post regrets any confusion.

TENDERS & PROCUREMENT NOTICES

CHIYODA WARD OFFICE: Requests tenders for winter road-maintenance services across designated municipal routes. Submission deadline Oct. 3. Documents available at the ward procurement office.

TOKYO METROPOLITAN GOVERNMENT: Solicits bids for the supply and installation of energy-efficient lighting at three public facilities in Koto Ward. Pre-qualification required.

KUMAMOTO PREFECTURAL GOVERNMENT: Issues continued call for reconstruction contractors for earthquake-damaged municipal infrastructure across affected wards, submissions accepted on a rolling basis.

NARITA INTERNATIONAL AIRPORT CORPORATION: Issues a call for proposals for expanded ground-handling equipment maintenance contracts. Full specifications available to registered vendors upon request.

LEGAL & PUBLIC NOTICES

NOTICE OF SHAREHOLDER MEETING: A publicly listed manufacturing firm headquartered in Osaka has announced its annual general meeting will be held in late September; shareholders of record will receive materials by post.

PROBATE NOTICE: The Tokyo Family Court has published a routine notice inviting claims against an estate currently in probate proceedings; interested parties should contact the court registry directly.

ZONING NOTICE: Minato Ward has opened a public comment period on proposed revisions to building-height allowances in a designated waterfront redevelopment zone. Comments accepted through the end of the month.

This section is provided for informational purposes. The Japan Morning Post recommends consulting a licensed attorney or notary for matters requiring legal advice.

ANALYSIS & OPINION EXTRA

The Yen's Quiet, Cumulative Surge

By Yuki Saito | Economics & Finance Reporter

The yen's rise to its strongest level since February arrived, characteristically, without a single dramatic catalyst. Instead, it built gradually across a week of accumulating signals: interest-rate futures pricing an ever-higher probability of a September Bank of Japan hike, a preliminary GDP reading due for revision, and a steady drumbeat of commentary from central bank officials that market participants read as more hawkish in tone than the bank's actual policy statements have yet confirmed.

That gradualism is, in itself, worth pausing on. Japan's currency has a well-documented history of moving in sharp, disorderly bursts — the kind of moves that prompt intervention speculation and dominate a news cycle for days. This week's appreciation has instead unfolded as a steady grind, each day's move modest, cumulative, and consistent with a market that has, over months, gradually built conviction that the era of near-zero Japanese interest rates is ending rather than merely pausing.

The mechanics driving the move are, at this point, familiar to anyone who has followed Japanese monetary policy this year. The Bank of Japan's June rate increase to 1.0% was framed at the time as a confirmation of Governor Kazuo Ueda's cautious, data-dependent approach rather than the start of an aggressive tightening cycle. Since then, inflation data, wage negotiations and now a widely anticipated upward GDP revision have progressively strengthened the case for continued normalization, pushing implied hike probabilities for the September meeting from a coin-flip several weeks ago to roughly 80% today.

For households, the currency's strength offers a genuine, if partial, counterweight to three years of food and energy price pressure that a weak yen substantially aggravated. Imported goods become cheaper in yen terms as the currency strengthens, a mechanical relationship that should, with the usual lags, show up in household budgets over coming months if the current level holds.

For exporters, the calculus runs in the opposite direction, and the timing could hardly be less convenient. Sony and Toyota both posted results this earnings cycle shaped substantially by a weak-yen tailwind on translated overseas earnings; a sustained stronger currency would gradually erode exactly that benefit over coming quarters, even without any change in the underlying operational performance of either company.

The genuinely difficult question — the one this newspaper expects to occupy financial commentary for weeks regardless of what Tuesday's GDP revision shows — is whether the Bank of Japan can navigate the transition from near-zero rates to a more conventional policy stance without triggering the kind of disorderly market adjustment that would undermine confidence in the process itself. Six months of gradual, well-telegraphed moves suggest Ueda's preference for caution over surprise. Whether markets extend him the same patience through a genuine regime change, rather than merely a single rate increase, remains to be tested.

Two Disasters, One Prefecture: Kumamoto's Compounding Season

By Emi Kondo | Society & Local News Reporter

Two disasters, arriving within six weeks of each other and touching some of the same communities, have given Kumamoto Prefecture an unwanted case study in how modern disaster-response infrastructure handles genuine overlap rather than the sequential, one-crisis-at-a-time scenarios most emergency planning is built around.

The July earthquake and this week's rain emergency are mechanically unrelated — one a sudden geological event, the other a slow-building meteorological one — but their consequences have increasingly blurred together on the ground. Reconstruction crews working earthquake-damaged structures have had to pause during the heaviest rain bands. Emergency shelters stood up initially for earthquake survivors have, in some cases, taken in households displaced a second time by rain-triggered flooding. And the cancellation of Yatsushiro's centuries-old autumn festival parade, announced this week, was attributed jointly to both disasters rather than either one alone — a small but telling sign of how thoroughly the two crises have compounded each other's disruption in the public's experience of this recovery.

The Digital Agency's decision to extend its earthquake-era AI damage-assessment tools to help manage the rain emergency offers a genuinely encouraging data point about institutional flexibility, even as officials are careful not to overstate it. The tools were built for earthquake damage patterns specifically; that they proved adaptable enough to support a different hazard with only modest reconfiguration says something real about the underlying design choices made during their rapid development this summer, even if it does not yet prove the system could handle a genuinely novel third disaster type.

This week's confirmed fatality from the rain — Japan's first weather-related death of the season — deserves to be treated with the seriousness it warrants rather than folded too quickly into a broader systems-worked narrative. One death from a storm that dropped over 300 millimeters of rain on parts of the country in 48 hours is, by the standards of comparable weather events elsewhere in the world, a genuinely low toll, and that outcome reflects real investment in early warning and evacuation infrastructure that deserves credit. It does not make the loss any less significant to the family involved, and this newspaper is wary of any framing that treats a single death as merely evidence of a system's overall success.

What the past six weeks have most clearly demonstrated is a genuine, if partial, answer to a question Japanese disaster planners have debated for years: can infrastructure built rapidly in response to one specific crisis be generalized quickly enough to help with the next one, whatever form it takes? Kumamoto's experience this summer suggests yes, with important caveats — the tools required real reconfiguration rather than working unmodified, dedicated staff had to be redirected rather than simply reused, and officials themselves acknowledge that a third simultaneous emergency would strain the system considerably further than the current dual response already has. Whether that answer holds up the next time it is tested, in Kumamoto or elsewhere, remains the open question this newspaper intends to keep asking.

NPB's Stretch Run: What's Really Still in Play

By Oliver Brooks | Japan Sports Desk Editor

With roughly three weeks remaining in the NPB regular season, the shape of this year's Climax Series field has come into considerably sharper focus than it was even two weeks ago, even as genuine drama remains in exactly the spots that make a pennant race worth following through September.

Hanshin's 2.5-game Central League cushion over Yomiuri looks, on paper, more comfortable than the head-to-head record between the two clubs would suggest — Yomiuri has actually won the season series 16 games to 7 — a split that would ordinarily favor the Giants' case as the stretch run tightens. That the Tigers have nonetheless built and held a real lead speaks to a broader consistency across their full slate of opponents that has proven, through 122 games, the more durable competitive advantage than dominance over any single rival.

The Pacific League has quietly become the more compelling race of the two, even though SoftBank's six-game cushion at the top looks decisive. The real contest sits one tier down, where Seibu and Nippon-Ham are functionally tied for second place separated by nothing more than percentage points, both clubs having posted outstanding interleague records that speak to genuine roster depth rather than a single hot stretch. Whichever club ultimately claims sole possession of second place will do so having earned it against a genuinely tough parallel competitor, not simply by outlasting a weaker field.

Both leagues' bottom tiers have effectively settled into their final form. Central League clubs Chunichi and Hiroshima, both roughly 17.5 games back, remain mathematically alive for a Climax Series berth in the sense that the arithmetic has not yet closed, but neither has shown the kind of sustained form over the season's second half that would suggest a genuine late run is coming. The same applies to Orix and Lotte in the Pacific League, and Rakuten has been out of realistic contention for weeks.

What the season's final month will actually decide, then, is narrower than the full six-team standings in each league might suggest: whether Yomiuri's head-to-head edge over Hanshin can translate into closing a 2.5-game gap in the games remaining, and whether Seibu or Nippon-Ham can pull clear of the other for a second-place finish that would carry real seeding implications into the Climax Series. Everything else, barring a genuinely unusual final three weeks, looks largely settled.