



Volume 2026 | Number 251 | Wednesday, September 9, 2026 | EST. 1887 | ¥350

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

# Japan Sold \$88 Billion in Treasuries to Fund Record Yen Defense

Finance Ministry data confirms Tokyo tapped its US bond holdings for August's ¥15.4 trillion intervention, the largest on record

By Yuki Saito and Rachel Kim | Economics & Finance Desk

Japan likely sold a significant portion of its US Treasury holdings to help finance a record currency intervention last month, Finance Ministry reserve data confirmed Monday, lending new detail to a story this newspaper has followed since the yen's rise began dominating markets last week.

Tokyo's holdings of foreign securities fell by \$87.8 billion at the end of August from a month earlier, according to the ministry's reserve data, a decline that closely tracks the scale of the intervention authorities have already confirmed: a monthly record ¥15.4 trillion, or roughly \$98.6 billion, spent defending the currency in the month through Aug. 26. Part of that operation, the ministry has said, was conducted jointly with the United States — the first coordinated yen-buying intervention between the two governments since 1998.

The mechanics matter as much as the headline figure. Japan holds more US Treasuries than any other foreign government, and by trader estimates roughly 70% of its total foreign reserves sit in similar US government debt. Funding an intervention at this scale runs directly through that stockpile, and market strategists have noted that Tokyo's reserve managers have concentrated the selling at the shorter end of the Treasury curve — the maturities foreign reserve managers typically prefer to hold, and, not coincidentally, the segment Washington has signaled the least concern about.

US Treasury Secretary Scott Bessent confirmed the joint operation and said afterward that Washington "will not hesitate to participate in further joint intervention," a level of explicit coordination between the two governments' currency operations that traders describe as unusual even by the standards of a relationship as close as the US-Japan alliance.

The intervention followed a punishing summer for the currency. The yen slid to roughly 164 per dollar in late July, its weakest level in about four decades, before the initial round of intervention pushed it back to around 157. Those gains partially reversed over the following two weeks as the effect faded, drifting the currency back toward 159, before a further, larger round of joint intervention in early August pushed it to around 154.50 and, ultimately, to the sub-150 levels this newspaper has reported in recent days — the strongest the yen has traded since February.

That longer arc reframes a story this newspaper had, in recent editions, described primarily as market-driven: traders pricing in an increasingly likely Bank of Japan rate increase at the Sept. 17-18 policy meeting. That expectation remains real and is reflected in interest-rate futures. But Monday's reserve data makes clear that direct, repeated government intervention — not organic rate expectations alone — has done much of the work in reversing the yen's four-decade-low trajectory over the past six weeks.

Analysts caution that the strategy carries its own risks. Selling Treasuries to fund yen purchases places Japan in the position of a major foreign holder actively reducing its stake in US government debt at a moment when Washington has expressed sensitivity about upward pressure on long-term Treasury yields from any large foreign seller, sovereign or otherwise. That tension featured in Bessent's own public remarks even as he confirmed the joint intervention, a juxtaposition several Tokyo-based currency strategists described as reflecting the genuinely awkward position both governments have negotiated: needing each other's cooperation on the currency while managing separate, occasionally conflicting, interests in the bond market.

Speculation has also centered on Japan's Government Pension Investment Fund, the world's largest pension fund, and whether it may increase allocations toward domestic assets in a way that would reduce reliance on further intervention — a shift that, if it materializes, currency strategists say could explain why the yen has continued strengthening even without confirmation of fresh intervention in the most recent sessions.

For Japanese households and businesses, the practical effect has been the one this newspaper has tracked closely: a currency strong enough to meaningfully ease imported energy and food costs, arriving just as the government prepares both its consumption-tax cut on food and, separately, the Bank of Japan's own rate decision — two more policy levers converging on the same underlying question of how quickly Japan can move past the cost-of-living pressure that has defined its politics for three years.

Whether Tokyo intervenes again before the BOJ meeting remains, by the account of currency traders and officials alike, genuinely uncertain. The ministry has declined to comment on specific future operations, consistent with its longstanding practice, though officials speaking on background note that a currency now trading at its strongest level since February gives authorities considerably more room to simply observe than they had in late July.

## JAPAN POLITICS

### Canada's Counter-Tariffs Take Effect as North American Trade War Deepens

Ottawa matches Washington dollar-for-dollar on \$27.6 billion in US goods; Japanese exporters watch for signs of what a hardened US trade posture could mean closer to home

By Daisuke Ito | International Desk

Canada's retaliatory tariffs on more than 700 categories of American goods took effect at one minute past midnight Tuesday, the latest and sharpest escalation yet in a trade dispute between the two historically close allies that has now run for more than a year and a half.

The countermeasures, covering roughly \$27.6 billion in imports from the United States, were designed explicitly to match — dollar for dollar — the 50% tariff Washington imposed on a similar value of Canadian goods on Aug. 22. Ottawa's list concentrates on steel and aluminum, where duties double to 50%, alongside dairy, home appliances, agricultural equipment, pulp and paper, and electronics: sectors Canadian officials say were chosen because they represent where American exporters are most exposed to Canadian buyers, rather than spreading the retaliation thinly.

Canadian Prime Minister Mark Carney, announcing the measures from Ottawa, framed them as necessary rather than desired. "Canada will match Washington's new tariffs dollar for dollar in order to protect Canadian workers, farmers, families, and businesses," Carney told reporters, adding that months of what he described as intensive, good-faith negotiation had failed to produce a deal Ottawa considered fair to Canadian workers.

The dispute has already reshaped supply chains on both sides of the border. American dairy and lumber exporters — long a flashpoint in US-Canada trade talks even before this year's escalation — face renewed exposure just as Canadian steel, aluminum and appliance makers absorb the initial round of American duties imposed last month. Notably, Carney's government simultaneously eliminated Canada's own 25% tariffs on a wide range of American consumer goods effective Sept. 1, a gesture trade analysts read as an attempt to signal continued openness to negotiation even while matching Washington's sector-specific pressure precisely.

For Japan, a country with no direct stake in the Canada-US dispute, the conflict has nonetheless drawn close attention in Tokyo trade circles as a test case for how the current US administration approaches even its closest, most institutionally integrated trading partners. Japanese officials involved in managing Tokyo's own \$550 billion investment framework with Washington say they are watching the Canada dispute for signals about the durability of negotiated trade arrangements more broadly, given that Canada and the US share not just a free-trade agreement but a deeply integrated automotive supply chain not unlike aspects of the US-Japan relationship.

Trade economists note one structural difference that has shaped how each side has approached the standoff: energy. Canadian oil and gas exports to the US have remained explicitly exempt from the tariff exchanges on both sides, a carve-out both governments' officials describe as reflecting the practical reality that North American energy infrastructure is integrated in ways that would make disruption costly and slow to reverse for both countries, regardless of the political temperature elsewhere in the relationship.

Consumer-facing effects are already visible north of the border. Canadian retailers have begun posting higher shelf prices on a range of American-made goods subject to the new counter-tariffs, with industry groups estimating measurable price increases across categories from small appliances to packaged foods within weeks. US exporters, meanwhile, describe a similar dynamic in reverse, with some manufacturers reporting canceled or paused orders from Canadian buyers uncertain how long the current tariff structure will remain in place.

## JAPAN POLITICS

### One Week Out, Takaichi's Reshuffle Takes Shape Amid Currency Drama

Katayama's retention looks more certain than ever given her direct role in managing the intervention

By Michael Hayes | Deputy Editor, Politics & Policy

Prime Minister Sanae Takaichi's government entered the final week before her planned Cabinet reshuffle with the currency intervention story now dominating the backdrop, as Finance Minister Satsuki Katayama's portfolio absorbs fresh scrutiny over the scale of Treasury sales required to fund last month's record defense of the yen.

Full report, Page 5.

## BUSINESS

### What Treasury Sales Mean for Japan's Own Bond Market

Japan's own government bond market has not been immune to the currency intervention story, with strategists noting that a Ministry of Finance actively managing its foreign reserve composition adds a further variable to a JGB market already adjusting to the prospect of a Bank of Japan rate increase this month.

Full market analysis and the day's trading data appear in the Business section, Page 11.

— Full report, Page 11

## JAPAN POLITICS

### Okinawa Campaigns Enter Final Days as Both Sides Claim Momentum

With four days remaining before Okinawa Prefecture chooses its next governor, incumbent Denny Tamaki and challenger Kosha Genta both intensified campaign appearances Tuesday across the main island, each camp describing internal polling as encouraging without claiming a decisive lead.

Full coverage of the Okinawa race continues on Page 5.

TODAY'S TOP STORIES, CONTINUED

## Tokyo Weighs Trade Lessons From Washington's Fight With Ottawa

*Officials say Canada's escalating dispute offers a cautionary data point as Japan manages its own \$550 billion framework*

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

Japanese trade officials said this week they are studying the rapidly escalating US-Canada tariff dispute for what it might reveal about the durability of negotiated trade arrangements with the current American administration, even as they stressed that Tokyo's own \$550 billion investment framework remains, in their assessment, on fundamentally different footing.

The distinction officials draw is structural. Japan's framework centers on forward-looking investment commitments — in semiconductors, pharmaceuticals, shipbuilding and artificial intelligence — rather than the kind of bilateral goods-trade balance that has driven the US-Canada dispute toward its current, sharply adversarial state. Trade Minister Ryosei Akazawa's ministry has repeatedly emphasized this distinction in public remarks, describing Japan's approach as designed specifically to avoid the zero-sum framing that has characterized Washington's approach to Ottawa.

Still, people familiar with Japan's internal trade planning say the speed of the Canada dispute's escalation — from negotiation to 50% tariffs to matching retaliation within a matter of months — has prompted renewed internal discussion about how quickly a relationship even as institutionally deep as the US-Canada partnership can deteriorate once negotiations stall.

Akazawa is expected to reference the dynamic, at least implicitly, in follow-up consultations with US Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer this week, according to people familiar with the scheduling, though officials on both sides continue to characterize the sessions as routine continuation of ongoing coordination rather than crisis management.

Japanese business groups with significant North American manufacturing exposure have watched the Canada dispute with particular unease given how integrated automotive and industrial supply chains have become across the US-Canada border — a integration not unlike aspects of Japan's own manufacturing presence in the American South and Midwest, where several major Japanese-owned plants source components from both US and Canadian suppliers.

Analysts note that Japan's framework, unlike Canada's original free-trade arrangement with Washington, was negotiated more recently and with the current administration's stated priorities already in view, a timing difference some trade economists say may partly explain why the Japan-US relationship has, so far, avoided the kind of rapid breakdown now playing out between Washington and Ottawa.

Whether that structural advantage proves durable is likely to become clearer only over time, officials on both sides acknowledge, particularly as the Bank of Japan's coming rate decision and the currency intervention story add their own layer of complexity to a US-Japan economic relationship that, for now, remains considerably calmer than the one unfolding to America's north.

## Kumamoto Recovery Enters Seventh Week as Rain Damage Cleanup Continues

By Emi Kondo | Society & Local News Reporter

Kumamoto Prefecture's earthquake recovery entered its seventh week Tuesday, with prefectural officials reporting steady, if unglamorous, progress on livelihood-recovery grant processing even as cleanup continues from last week's separate heavy-rain emergency, which compounded the ground conditions in several already-affected districts.

Officials said the overlap between the two disaster tracks, while logistically demanding, has not produced the kind of resource conflict some had privately worried about in the rain emergency's early days, with the same disaster-response infrastructure built for the earthquake proving flexible enough to absorb the additional rain-related caseload without a formal expansion of staff.

The prefecture's tourism board, meanwhile, said Tuesday it was cautiously optimistic about visitor numbers heading into the autumn Silver Week holiday period later this month, citing early booking data that suggests the region's recovery narrative has not deterred domestic travelers to the extent officials initially feared.

### WORLD & NATION IN BRIEF

#### Gulf Diplomatic Track Holds as Tanker Conflict Enters Its Seventh Month

The parallel US-Iran negotiating channel remained intact through the weekend even as the tanker conflict in the Persian Gulf entered its seventh month, with diplomats describing incremental progress on verification questions that have anchored the talks since June.

#### BOJ Meeting Now Ten Days Away as Rate-Hike Odds Climb Further

Interest-rate futures pushed the implied probability of a Bank of Japan rate increase at the Sept. 17-18 meeting to its highest level yet Tuesday, with traders citing both the strengthening yen and Monday's Treasury-sale confirmation as reinforcing the case for tightening.

#### Shipbuilding Cooperation Advances as Regional Tensions Multiply

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

WORLD NEWS

### Inside the First Joint US-Japan Intervention Since 1998

*What made Washington willing to help defend a currency it once accused Tokyo of keeping artificially weak*

By Daisuke Ito | Investigations & Longform

For nearly three decades, the default American posture toward Japanese currency intervention ranged from indifference to pointed criticism, rooted in a trade complaint that ran in precisely the opposite direction from today's: that Tokyo kept the yen weak to subsidize its exporters. That the current Treasury Secretary spent August publicly committing to help Japan strengthen its currency represents a genuine inversion, and this newspaper has spent the past two days examining what changed.

The short answer, according to currency strategists and former Finance Ministry officials this newspaper consulted, is that Washington's own trade priorities shifted enough to make a stronger yen genuinely useful to American interests, not merely a favor extended to an ally. A weak yen has functioned for years as an effective subsidy for Japanese exporters competing against American manufacturers; an administration focused on currency practices among trading partners has clear incentive to welcome, and assist, appreciation that blunts that advantage.

That does not make the operation costless for Washington. Treasury Secretary Scott Bessent's own remarks, even as he confirmed the joint intervention, carried an unmistakable undercurrent of concern about Treasury sales pressuring long-term yields — a tension that reflects Washington's persistent need for reliable buyers of its debt colliding with its interest in a stronger yen. Several strategists describe this as the defining awkwardness of the current moment: two governments who need each other's cooperation on the currency while managing separate, occasionally conflicting, interests in the bond market underneath it.

Historically, joint intervention of this kind has been vanishingly rare precisely because it requires this alignment of interest to hold simultaneously on both sides. The 1998 precedent came amid the Asian financial crisis, when a collapsing yen threatened to destabilize the broader region in ways that gave Washington its own direct stake in supporting the currency. This year's episode lacks that regional-contagion urgency, which makes the current alignment more purely transactional — and, some analysts argue, potentially more fragile once either government's underlying incentives shift.

Whether the current cooperation extends through the Bank of Japan's Sept. 17-18 meeting and beyond remains, by every account this newspaper has gathered, genuinely unresolved, dependent on a currency and rate environment that has moved quickly enough this year to defy confident prediction more than two weeks out.

*That does not make the operation costless for Washington.*

### General Assembly Week Approaches Amid a Crowded Global Agenda

*Gulf conflict, Canada-US trade war and currency tensions compete for attention as leaders prepare to convene*

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

World leaders converging on New York later this month will do so against a backdrop that has, if anything, grown more crowded in recent days, with the currency intervention story and the deepening Canada-US trade dispute adding fresh material to sideline conversations that officials say will inevitably compete with the formal agenda for attention.

Japanese diplomats are expected to use the session to renew Tokyo's long-standing push for Security Council reform while also seeking bilateral meetings to discuss both the Gulf conflict and, more unusually, the North American trade dispute directly with counterparts from both Ottawa and Washington, given the precedent-setting implications Tokyo's own trade officials have identified in how that dispute resolves.

Security planning around the session is expected to be unusually extensive this year, according to officials briefed on preparations, given the combination of active Middle East conflict and heightened trade tensions among close allies that will color the diplomatic backdrop.

*World leaders converging on New York later this month will do so against a backdrop that has.*

### Asian Markets Steady as Region Digests Yen Intervention Data

By Yuki Saito | Economics & Finance Reporter

Asian equity markets traded in a comparatively narrow range Tuesday as investors digested Monday's Treasury-sale confirmation alongside continued strength in AI-linked technology names that have driven much of the region's gains in recent sessions.

South Korea's Kospi and Japan's Nikkei both posted modest gains, while currency desks across the region focused most of their attention on the yen's reaction to the intervention data, which traders described as muted given that the underlying facts had been broadly anticipated following earlier reporting on the scale of August's operation.

Regional currency strategists said the episode has prompted renewed discussion of how other Asian central banks with significant dollar-asset reserves might approach comparable currency pressure should it arise, with several noting that Japan's willingness to coordinate directly with Washington sets a precedent other governments may find difficult to replicate given the depth of the US-Japan relationship specifically.

*South Korea's Kospi and Japan's Nikkei both posted modest gains.*

### Gaza Cease-Fire Talks Continue as Aid Access Remains Contested

Wire Reports

Negotiations aimed at stabilizing the Gaza cease-fire continued this week, with mediators reporting incremental progress on humanitarian access even as disagreements over the truce's longer-term terms remained unresolved.

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

Regional mediators say the coming weeks, coinciding with the United Nations General Assembly's high-level session in New York, are likely to bring renewed diplomatic pressure on all parties given the concentration of foreign ministers and heads of state the session will draw to a single venue.

*Negotiations aimed at stabilizing the Gaza cease-fire continued this week, with mediators reporting incremental progress on humanitarian access even as disagreements over the truce's longer-term terms remained unresolved.*

### Gulf Tanker Conflict Enters Seventh Month With No Resolution in Sight

By Daisuke Ito | Investigations & Longform

The maritime conflict in the Persian Gulf entered its seventh month this week, with maritime security firms continuing to track a toll of struck, damaged and diverted vessels that has grown steadily since fighting began in earnest in late February.

Flags of convenience continue to dominate the list of affected ships, with vessels 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 have driven a given week's additions to the tally.

For Japan and other major oil-importing nations, the conflict's shipping toll remains the most direct point of economic contact with a war being fought thousands of miles away, translating into insurance premiums, rerouting decisions and delivery delays that compound with each additional month the conflict continues.

*The maritime conflict in the Persian Gulf entered its seventh month this week.*

### Japan's Security Council Reform Push Enters Its Fourth Decade

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 continues to coordinate its reform push with Germany, India and Brazil, the so-called G4 nations, each pressing its own case for permanent Council membership while framing the collective effort as more durable than any single country's bid could be alone.

*Japan continues to coordinate its reform push with Germany.*

JAPAN NEWS

## Katayama's Finance Ministry Faces Fresh Scrutiny Over Treasury Sales

*Opposition lawmakers request briefing on reserve composition as reshuffle speculation continues*

By Michael Hayes | Deputy Editor, Politics & Policy

Finance Minister Satsuki Katayama's ministry faced fresh questions Tuesday from opposition lawmakers seeking a fuller accounting of how the Aug. 22 to Aug. 26 currency intervention was financed, following Monday's confirmation that Japan's foreign securities holdings fell by \$87.8 billion over the same period.

Several Diet members, including some from Yuichiro Tamaki's Democratic Party for the People, have requested a closed briefing on the composition of the sold assets, with questions focused specifically on whether the sales were concentrated in short-dated Treasuries, as market strategists have inferred, or spread more broadly across Japan's reserve holdings.

Katayama, whose retention through the coming Cabinet reshuffle has been considered all but certain for weeks, now finds her portfolio at the center of the government's most closely watched economic story just as reshuffle planning enters its final stretch. Government officials familiar with the planning say the currency episode has, if anything, reinforced the case for keeping her in place, given the continuity her direct familiarity with the intervention's mechanics would provide through the Bank of Japan's Sept. 17-18 meeting.

Ministry officials have declined to provide a detailed breakdown of the sold securities beyond what the monthly reserve data already discloses, citing longstanding practice of not commenting on the specific composition of intervention-related transactions. That reticence has drawn mild criticism from some lawmakers who argue that an operation of this scale and novelty — the first joint intervention with Washington since 1998 — merits more transparency than the ministry's standard disclosure practices provide.

Prime Minister Sanae Takaichi, asked about the intervention Tuesday, defended the operation as necessary and effective, noting that the yen's subsequent strengthening has provided measurable relief on import costs at a moment when the government's food consumption tax cut is separately working through the Diet. She declined to comment on whether further intervention should be expected before the BOJ meeting.

*She declined to comment on whether further intervention should be expected before the BOJ meeting.*

## Four Days Out, Okinawa Candidates Make Closing Arguments

*Tamaki and Kosha sharpen contrasts on base policy and economic development as Sunday's vote nears*

By Aiko Tanaka | Senior Japan Correspondent, Tokyo Bureau

With four days remaining before Okinawa Prefecture chooses its next governor, incumbent Denny Tamaki and challenger Kosha Genta used Tuesday's campaign appearances to sharpen the contrasts that have defined the race since its outset, each closing on the argument his campaign considers strongest heading into the final stretch.

Tamaki, seeking a second term on a platform centered on his long-standing opposition to the scale of American military basing across the prefecture, used Tuesday's stops to argue that his administration's steady governance through both the Kumamoto-adjacent disaster-preparedness questions and this month's currency turbulence demonstrates the kind of experienced leadership Okinawa needs heading into an uncertain economic period nationally.

Kosha, who has positioned himself as offering continuity with national ruling-coalition priorities while emphasizing economic diversification away from tourism dependence, argued Tuesday that Tamaki's confrontational approach toward Tokyo has yielded limited practical benefit for Okinawan households, and that a change in leadership would better position the prefecture to secure central-government investment at a moment when the national government's attention is genuinely divided across several simultaneous priorities.

Local election administrators in Naha said Tuesday that early voting has proceeded smoothly, with turnout tracking modestly ahead of the equivalent point in the previous gubernatorial cycle, a trend both campaigns have claimed as evidence favoring their own chances without either providing internal polling to substantiate the claim publicly.

Analysts following the race continue to describe it as genuinely competitive, with the outcome likely to turn on turnout mechanics among younger voters more than on any single policy question that has emerged over the course of the campaign.

*With four days remaining before Okinawa Prefecture chooses its next governor.*

## Tamaki Presses Government on Treasury-Sale Transparency

By Michael Hayes | Deputy Editor, Politics & Policy

Yuichiro Tamaki, fresh off his third-term victory as leader of the Democratic Party for the People, used one of his first substantive policy interventions of the new term Tuesday to press the government for greater transparency around last month's currency intervention, arguing that an operation of unprecedented scale and international coordination warrants disclosure beyond the ministry's routine monthly reserve reporting.

Tamaki, who has built his political identity substantially around technical fiscal and monetary policy expertise from his years at the Ministry of Finance before entering politics, framed the request as consistent with his party's broader "solutions over confrontation" approach rather than as an attack on the intervention's substance, which he has not publicly criticized.

The intervention transparency question offers an early test of how Tamaki intends to use his renewed mandate, with political analysts watching closely whether the DPP leader pursues the kind of technically grounded, cooperative-but-independent opposition posture he has pledged, or shifts toward sharper confrontation as his party works to close the gap with the ruling coalition ahead of the 2028 Upper House election.

*The intervention transparency question offers an early test of how Tamaki intends to use his renewed mandate.*

## Health Minister Still Noncommittal as Reshuffle Uncertainty Persists

By Michael Hayes | Deputy Editor, Politics & Policy

Health, Labour and Welfare Minister Kenichiro Ueno remained noncommittal Tuesday on whether the government will submit Chuikyo medical-pricing reform legislation this autumn, with his own position in the coming Cabinet reshuffle still considered the least settled among senior portfolios.

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

Health ministry officials, speaking on background, describe the reform question as unlikely to be resolved before the reshuffle itself clarifies whether Ueno remains in position to see any legislative push through to completion.

*Health ministry officials, speaking on background, describe the reform question as unlikely to be resolved before the reshuffle itself clarifies whether Ueno remains in position to see any legislative push through to completion.*

## Koizumi's Defense Portfolio Steady as Regional Tensions Persist

By William | Senior Political Analyst

Defense Minister Shinjiro Koizumi's expected retention through the coming Cabinet reshuffle continues to draw added significance from the ongoing trilateral military exercise involving Japan, the United States and South Korea, now in its second week following North Korea's commissioning of a second naval destroyer.

Koizumi's ministry has continued pressing forward with previously announced defense-spending increases and expanded industrial cooperation with Washington on munitions production and shipbuilding capacity, describing both efforts as proceeding on a trajectory set well before this month's currency and regional-security developments.

Defense analysts note that Koizumi's approach has remained consistent throughout his tenure: incremental capability-building favored over dramatic policy shifts, an approach that continues to draw general support from defense planners even as debate persists among lawmakers over whether the pace of Japan's buildup adequately matches the regional security environment it is meant to address.

*Defense Minister Shinjiro Koizumi's expected retention through the coming Cabinet reshuffle continues to draw added significance from the ongoing trilateral military exercise involving Japan, the United States and South Korea, now in its second week following North Korea's commissioning of a second naval destroyer.*

## Japan Maintains Careful Posture on Taiwan Amid Crowded Security Agenda

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 naval developments and the ongoing trilateral exercise added fresh elements to an already crowded regional security agenda.

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 without, officials say, representing any shift in substance despite the busier backdrop.

*Japan's government maintained its characteristically careful public posture on cross-strait tensions this week even as North Korea's naval developments and the ongoing trilateral exercise added fresh elements to an already crowded regional security agenda.*

JAPAN-U.S. RELATIONS & ALLIANCE

## Bessent's Balancing Act: Backing Yen Intervention While Guarding Treasury Yields

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

US Treasury Secretary Scott Bessent's public posture through August's intervention episode has drawn close attention from Japanese officials for the careful line it walks: enthusiastic support for joint yen-defense operations paired with unmistakable concern about the Treasury-market consequences of the sales that fund them.

Japanese trade and finance officials describe the balancing act as reflecting genuine, simultaneous American interests rather than mixed messaging — a desire for a stronger yen that eases one persistent trade irritant, coexisting with anxiety about any large foreign holder's willingness to sell Treasuries at scale, regardless of the seller's underlying motive.

Akazawa's ministry continues to describe the broader US-Japan economic relationship as proceeding on schedule despite the currency drama, with follow-up consultations on the \$550 billion investment framework continuing this week alongside the intervention story rather than being displaced by it.

Japanese trade and finance officials describe the balancing act as reflecting genuine.

## Investment Framework Consultations Continue Amid Currency Backdrop

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

Trade Minister Ryosei Akazawa's ministry said Tuesday that follow-up consultations on the \$550 billion US-Japan investment framework are proceeding this week as previously scheduled, with officials on both sides characterizing the sessions as routine continuation of ongoing coordination rather than a response to the currency intervention story now dominating other coverage.

The framework's investment tranches — spanning semiconductors, pharmaceuticals, critical minerals, shipbuilding, energy and artificial intelligence — remain, officials say, unaffected in their contractual terms by the yen's recent strengthening, even as the currency's movement changes how the dollar-denominated commitments translate back into Japanese corporate financial reporting.

Trade Minister Ryosei Akazawa's ministry said Tuesday that follow-up consultations on the \$550 billion US-Japan investment framework are proceeding this week as previously scheduled, with officials on both sides characterizing the sessions as routine continuation of ongoing coordination rather than a response to the currency intervention story now dominating other coverage.

JAPAN SPORTS

## Hanshin's Cushion Holds as Pennant Races Enter Final Stretch

*Tigers lead by 2.5 games in the Central League; SoftBank dominant while Seibu and Nippon-Ham fight for second in the Pacific*

By Oliver Brooks | Japan Sports Desk Editor

The Hanshin Tigers carried their 2.5-game Central League lead over the Yomiuri Giants into the season's final stretch, with roughly three weeks of regular-season play remaining before the Climax Series field is set. Hanshin sat at 69-52-1 for a .570 winning percentage through Sunday's games, with Yomiuri at 67-55-2 for .549 continuing to apply pressure despite a season-series deficit against the Tigers that would, on paper, favor the Giants' case as the race tightens further.

In the Pacific League, the Fukuoka SoftBank Hawks' commanding position atop the standings has left the more compelling drama one tier down, where the Saitama Seibu Lions and Hokkaido Nippon-Ham Fighters remain locked in a tight contest for sole possession of second place, separated by the thinnest of margins with the season's final weeks approaching.

Attention across both leagues is increasingly turning to how contending clubs manage pitching staffs and roster health down the stretch, with several front offices reportedly favoring more conservative usage patterns for key relievers as they position for a Climax Series run rather than simply maximizing regular-season win totals in the campaign's final weeks.

*The Hanshin Tigers carried their 2.5-game Central League lead over the Yomiuri Giants into the season's final stretch.*

## Aki Basho Opens Sunday as Two Yokozuna Headline Fifteen-Day Tournament

*Onosato and Hoshoryu lead a deep field into Ryogoku Kokugikan for grand sumo's autumn tournament*

By Oliver Brooks | Japan Sports Desk Editor

Sumo's autumn tournament, the Aki Basho, opens Sunday at Tokyo's Ryogoku Kokugikan for a fifteen-day run through Sept. 27, with ticket demand described by the Japan Sumo Association as unusually strong for an opening weekend that also coincides with Okinawa's gubernatorial election and the tail end of the Bank of Japan's pre-meeting quiet period.

The banzuke for September features two yokozuna atop the rankings — Onosato of Mongolia and Hoshoryu of Mongolia — with three ozeki rounding out the sport's upper echelon, at the top of a field several sumo journalists describe as unusually deep this year in terms of realistic championship contenders beyond the top-ranked wrestlers themselves.

Attention in the sport's press corner has focused increasingly on Aonishiki, the Ukrainian-born wrestler whose rapid ascent through the ranks in recent tournaments has drawn particular international attention and, according to Japan Sumo Association officials, contributed meaningfully to ticket demand from overseas visitors specifically for this tournament.

The tournament's opening bout, as tradition dictates, begins mid-afternoon on Sunday, with the day's most anticipated matchups reserved, as always, for the tournament's final bouts each evening when the sport's highest-ranked wrestlers compete.

*The banzuke for September features two yokozuna atop the rankings.*

## Ohtani Returns to Dodgers Lineup as Hitter Amid Continued Pitching Absence

By Haruto Yamamoto | Sports Reporter

Shohei Ohtani returned to the Los Angeles Dodgers' lineup as a hitter this week, offering the organization at least partial relief after a stretch in which his two-way workload situation had deteriorated sharply, according to people familiar with the team's thinking, even as his availability as a pitcher for the remainder of the 2026 season remains effectively off the table.

Manager Dave Roberts has continued preparing the Dodgers' postseason pitching rotation — anchored by Yoshinobu Yamamoto, Blake Snell, Tyler Glasnow and Tarik Skubal — to carry the workload without Ohtani's contribution on the mound, a contingency the club has been quietly building toward for weeks given the accumulated knee, biceps and neck issues that have limited his pitching availability since before the All-Star break.

For Japanese fans, Ohtani's availability down the stretch carries stakes well beyond his own statistical season, given how central his presence remains to the Dodgers' championship ambitions and how closely his every appearance continues to be followed domestically regardless of which half of his two-way role is currently active.

*Shohei Ohtani returned to the Los Angeles Dodgers' lineup as a hitter this week.*

## Osaka's US Open Run and Nishikori's Farewell Continue to Draw Domestic Attention

By Grace Park | Food & Restaurant Columnist

Naomi Osaka's continued run at the US Open and Kei Nishikori's farewell tournament appearance have combined to give Japanese tennis fans an unusually compelling reason to follow the year's final Grand Slam, with domestic broadcasters reporting some of the strongest non-final viewership figures for the tournament in recent years.

Nishikori, who announced in May that he would retire following the 2026 season, advanced through qualifying to reach the main draw — likely his final Grand Slam appearance and 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, who announced in May that he would retire following the 2026 season, advanced through qualifying to reach the main draw — likely his final Grand Slam appearance and 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.*

## 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 Sunday, Sept. 13, at Ryogoku Kokugikan, running through Sept. 27. Okinawa votes for governor the same day.

AROUND THE HORN — Naomi Osaka and the retiring Kei Nishikori both remain active at the US Open. Ohtani returned to the Dodgers' lineup as a hitter this week; his pitching season remains effectively over.

*AROUND THE HORN — Naomi Osaka and the retiring Kei Nishikori both remain active at the US Open.*

## What to Watch as NPB Enters Its Final Three Weeks

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 Central League cushion despite a schedule that grows no more forgiving in September, whether Seibu or Nippon-Ham can pull clear of the other for sole possession of second in the Pacific, and which of the trailing Central League clubs, if any, can mount a late push for the third Climax Series berth.

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.

*With roughly three weeks of NPB's regular season remaining.*

TECHNOLOGY & SCIENCE

## Rapidus Sees Order Pipeline Grow as Government Support Nears ¥3 Trillion

Chip venture reports continued customer interest even as production timeline shows signs of slipping toward 2028

By Ethan Cole | Technology and Science Editor

Rapidus Corp., Japan's state-backed bid to reclaim relevance in advanced semiconductor manufacturing, continues discussions with more than 60 companies interested in designing chips for artificial intelligence and robotics applications, chief executive Atsuyoshi Koike said this week, as cumulative government support for the venture approaches ¥3 trillion.

The company's most recent funding round secured ¥267.6 billion 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.

Koike said demand for cutting-edge chips has intensified since the start of the year, with requests for 2-nanometer technology increasingly common — a trend executives attribute directly to the broader AI infrastructure boom that has also driven much of this year's rally in Japanese semiconductor-linked equities.

The company's production timeline has shown gradual signs of slipping even as funding commitments have grown, with some recent guidance pointing to mass production beginning as late as March 2028 rather than the 2027 target cited earlier this year — a drift 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.

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

## Tokyo Chip Stocks Extend Rally as AI Infrastructure Demand Persists

By Maya Suzuki | Science & Innovation Desk

Technology shares on the Tokyo Stock Exchange extended their multi-week rally this week, with chip designers, memory makers and AI infrastructure suppliers continuing to price in accelerating global demand for artificial-intelligence computing hardware.

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.

Fund managers covering the sector continue to caution that the rally's underlying narrowness — concentrated in a relatively small band of AI-infrastructure-linked names — leaves it more vulnerable to a sharp reversal than the headline index gains alone would suggest to casual observers.

Technology shares on the Tokyo Stock Exchange extended their multi-week rally this week.

## SoftBank's AI Bet Continues to Drive Outsized Share-Price Swings

By Maya Suzuki | Science & Innovation Desk

Shares in SoftBank Group remained among the most actively traded on the Nikkei 225 this week, extending a pattern that has defined the conglomerate's stock performance for much of the past two years as founder Masayoshi Son's aggressive bet on AI infrastructure continues to drive outsized swings 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 collectively make the stock one of the most closely watched proxies for broader AI-sector sentiment on the Tokyo exchange.

Shares in SoftBank Group remained among the most actively traded on the Nikkei 225 this week.

## Kioxia and Advantest Extend Gains as Memory and Equipment Demand Holds

By Maya Suzuki | Science & Innovation Desk

Kioxia Holdings and Advantest both posted continued gains this week, with memory-chip pricing remaining firm amid tight supply and semiconductor equipment orders extending well into next year, according to company guidance reviewed by this newspaper.

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 — a caveat that has not stopped investors from rewarding both companies for their near-term momentum.

Kioxia Holdings and Advantest both posted continued gains this week.

| BUSINESS            |        |                      |                       |                       |                   |                       |
|---------------------|--------|----------------------|-----------------------|-----------------------|-------------------|-----------------------|
| NIKKEI 225          | TOPIX  | JPY/USD              | BRENT CRUDE           | BOJ RATE              | JGB 10Y           | REAL WAGES            |
| Holding near 66,400 | Steady | Strongest since Feb. | Elevated on Gulf risk | 1.00%, hike odds high | Multi-decade high | +2.4% July, 7th month |

## Tokyo Stocks Steady as Traders Weigh Treasury-Sale Confirmation

*Nikkei holds recent gains even as intervention data adds a new variable to the rate-decision calculus*

By Yuki Saito | Economics & Finance Reporter

Tokyo's benchmark Nikkei 225 held broadly steady Tuesday as traders weighed Monday's confirmation that Japan sold roughly \$88 billion in foreign securities to fund August's record currency intervention, a data point market participants described as reinforcing rather than surprising given weeks of prior reporting on the intervention's approximate scale.

The more consequential market reaction centered on Japanese government bonds, where yields continued trading near multi-decade highs as investors weighed the combined effect of the confirmed Treasury sales, the strengthening yen, and rising expectations for a Bank of Japan rate increase at the Sept. 17-18 meeting — three distinct but increasingly intertwined stories all pointing, for now, in the same directional signal for Japanese rates.

Corporate treasurers at major exporters said they continue reviewing hedging strategies in light of the currency's sustained strength, with several describing the past month as requiring a more active approach to currency risk management than the relatively stable environment of recent years had required.

Trading volume on the Tokyo Stock Exchange's prime market remained above recent averages, a pattern floor traders attributed to the unusual concentration of market-moving stories — currency, rates, and ongoing AI-sector enthusiasm — all developing simultaneously rather than in the more sequential fashion markets have typically digested comparable news in the past.

*The more consequential market reaction centered on Japanese government bonds.*

## Real Wages Rise for Seventh Straight Month in Encouraging Sign for Households

By Yuki Saito | Economics & Finance Reporter

Japan's inflation-adjusted real wages rose 2.4% in July from a year earlier, marking a seventh consecutive monthly increase as higher base salaries and easing price pressures continue improving workers' purchasing power, according to labor ministry data released this week.

The sustained run of real-wage gains offers the government a genuine data point to cite alongside the currency intervention and food tax cut as evidence that its cost-of-living response is beginning to show measurable results, even as officials caution that a single indicator, however encouraging, does not fully resolve the multi-year affordability pressure that has shaped Japanese politics since 2023.

Economists note that the combination of firming real wages and a strengthening yen — which eases imported cost pressure from the other direction — creates an unusually favorable, if still fragile, alignment of conditions heading into the Bank of Japan's rate decision later this month.

### IN BRIEF

#### Rate-Hike Odds Reach New High Ahead of BOJ Meeting

Interest-rate futures pushed the implied probability of a Bank of Japan rate increase at the Sept. 17-18 meeting to its highest level yet this week, with traders citing the combined weight of the strengthening yen, Monday's Treasury-sale confirmation, and continued firm domestic wage data as reinforcing the case for tightening. Bank of Japan Governor Kazuo Ueda has repeatedly signaled that further increases depend on confirmation that Japan's wage-price dynamic remains intact, a condition recent data — including a seventh consecutive monthly rise in inflation-adjusted real wages reported this week — appears increasingly to satisfy.

BUSINESS

## Sony and Toyota Navigate Currency Shift as Earnings Season Winds Down

By Kenta Sakamoto | Data & Visualization Reporter

Sony Group and Toyota Motor, the two most closely watched names in corporate Japan's export sector, continue adjusting guidance commentary in light of the yen's sustained strength, with both companies' most recent quarterly results having been shaped substantially by a weaker-currency tailwind that now appears to be reversing.

Sony's entertainment and gaming-led strategy has proven more insulated from currency swings than Toyota's more traditionally export-dependent automotive model, analysts note, though both companies face the same underlying dynamic: a stronger yen gradually eroding the translated value of overseas earnings that has flattered results throughout much of this year.

Toyota's own six-month currency planning assumption of ¥150 to the dollar, adopted earlier this year specifically to manage volatility, now faces its most direct test yet given the currency's move well past that level in recent trading.

*Toyota's own six-month currency planning assumption of ¥150 to the dollar, adopted earlier this year specifically to manage volatility, now faces its most direct test yet given the currency's move well past that level in recent trading.*

## Markets at a Glance

Compiled by the Business Desk

NIKKEI 225: holding recent gains near 66,400. YEN: trading at its strongest level since February amid confirmed intervention. JAPAN 10-YEAR JGB YIELD: near multi-decade highs. BOJ RATE: 1.00%, hike odds at a new high for the Sept. 17-18 meeting.

REAL WAGES: up 2.4% in July, seventh consecutive monthly gain. RESERVES: foreign securities holdings down \$87.8 billion in August on intervention-related sales. UPCOMING: Okinawa gubernatorial election and Aki Basho sumo tournament both Sept. 13; BOJ policy decision Sept. 17-18.

*RESERVES: foreign securities holdings down \$87.8 billion in August on intervention-related sales.*

SOCIETY & FOOD

### Shinjuku Moves to Restrict New Short-Term Rentals Amid Rising Complaints

*Ward plans general prohibition on new minpaku properties in residential and school areas as friction with neighbors grows*

By Emi Kondo | Society & Local News Reporter

Tokyo's Shinjuku Ward, home to more than 3,900 short-term rental facilities — the highest concentration of any municipality in Japan — plans to generally prohibit new minpaku properties in residential areas and around schools, ward officials confirmed this week, as complaints over noise, trespassing and other neighbor friction continue to accumulate.

The move reflects a broader tension that has built for years across Japan's most tourism-saturated districts: a national government eager to sustain inbound tourism's substantial economic contribution, set against local residents and ward administrations increasingly vocal about the strain concentrated short-term rental activity places on ordinary residential life.

Ward officials say the restriction is designed to channel new minpaku development toward commercial and mixed-use zones better equipped to absorb the traffic and noise associated with short-term visitors, rather than eliminating the sector's growth outright.

Property owners and minpaku operators have expressed concern about the restriction's effect on returns for buildings already configured for short-term rental use, with several industry groups requesting a grandfathering provision for existing licensed properties — a request ward officials say remains under consideration ahead of the measure's formal implementation.

*Ward officials say the restriction is designed to channel new minpaku development toward commercial and mixed-use zones better equipped to absorb the traffic and noise associated with short-term visitors, rather than eliminating the sector's growth outright.*

### Tokyo Station's New Yaesu Tower Opens Friday After Years of Construction

By Emi Kondo | Society & Local News Reporter

To From Yaesu Tower, a 51-story mixed-use complex directly connected to Tokyo Station, opens Friday, developer Tokyo Tatemono confirmed this week, capping years of construction on one of central Tokyo's most closely watched redevelopment projects.

The complex adds substantial office, retail and hospitality space to the already dense Yaesu district, with developers citing the project as evidence of continued confidence in central Tokyo commercial real estate even amid the broader affordability debate this newspaper has covered extensively in its property coverage.

Retailers securing space in the new tower say the direct station connection was the decisive factor in their leasing decisions, citing foot-traffic projections considerably higher than comparable developments without equivalent transit integration.

*Retailers securing space in the new tower say the direct station connection was the decisive factor in their leasing decisions.*

### Rakuten Mobile Faces Network Test as KDDI Scales Back Roaming Support

By Emi Kondo | Society & Local News Reporter

Rakuten Mobile faces a fresh test of its network quality after KDDI decided to scale back roaming support beginning this month, ending access to its network in areas where Rakuten already operates its own base stations while continuing service in mountainous and sparsely populated regions where Rakuten's own infrastructure remains limited.

The change reflects Rakuten's gradual, multi-year build-out of independent network coverage, though telecommunications analysts note that the areas most likely to see reduced roaming support are, almost by definition, precisely the areas where Rakuten's own coverage remains least mature — a dynamic that could produce real service degradation for some customers even as it reflects genuine underlying network expansion.

*Rakuten Mobile faces a fresh test of its network quality after KDDI decided to scale back roaming support beginning this month.*

### Customs Blocks Record IP-Infringing Shipments Amid E-Commerce Surge

By Grace Park | Food & Restaurant Columnist

Japanese customs authorities blocked a record 19,568 shipments suspected of infringing intellectual property rights in the first half of 2026, up 12% from a year earlier, as the continued expansion of cross-border e-commerce drives a corresponding increase in imported parcels requiring inspection.

Customs officials attribute the increase primarily to volume growth rather than any change in enforcement posture, noting that the underlying detection rate as a share of total parcels inspected has remained relatively stable even as the absolute number of flagged shipments climbs alongside overall import volumes.

*Japanese customs authorities blocked a record 19,568 shipments suspected of infringing intellectual property rights in the first half of 2026.*

### Rice Harvest Proceeds as Price Relief Continues Through September

By Grace Park | Food & Restaurant Columnist

Japan's autumn rice harvest continues to proceed broadly on schedule following the weather disruptions of the past two weeks, with agricultural cooperatives reporting that the earlier rain emergency's effect on yield and timing appears to have been more limited than initially feared in most growing regions.

Wholesale rice prices have continued their gradual decline from the peaks of the multi-year 'Reiwa rice crisis,' with government data showing continued moderation in the year-over-year inflation rate for rice specifically, a trend officials point to as evidence that this year's harvest recovery remains broadly on track despite the weather-related uncertainty of recent weeks.

The timing coincides awkwardly, and usefully, with the Diet's continued consideration of the government's planned two-year cut to the consumption tax on food, with officials noting that falling wholesale rice prices and a strengthening yen easing other imported food costs are together producing a more favorable household cost environment than existed even a few months ago.

*Japan's autumn rice harvest continues to proceed broadly on schedule following the weather disruptions of the past two weeks.*

### Hikone Castle Advances as Japan's UNESCO Heritage Candidate

By Grace Park | Food & Restaurant Columnist

Hikone Castle in Shiga Prefecture has been formally selected as Japan's candidate for nomination as a UNESCO World Cultural Heritage site, advancing a campaign that has continued for more than three decades and that local officials describe as a significant milestone for a structure that has remained in the shadow of Japan's already-designated castle heritage sites.

The castle, one of only twelve surviving Japanese castles retaining an original wooden keep from the feudal era, faces a multi-year formal nomination process before any final UNESCO designation, though local tourism officials say the candidacy announcement alone is likely to generate a meaningful increase in visitor interest ahead of any final decision.

*Hikone Castle in Shiga Prefecture has been formally selected as Japan's candidate for nomination as a UNESCO World Cultural Heritage site.*

REAL ESTATE & CULTURE

## Tokyo Condo Prices Face New Test as Rate Hike Odds Climb

*Record ¥140 million average confronts a Bank of Japan increasingly likely 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, which surpassed ¥140 million for the first time in the first half of 2026, faces a fresh test as Bank of Japan rate-hike odds climb to new highs ahead of the Sept. 17-18 policy meeting, real estate economists say.

Mortgage brokers report increased inquiries from prospective buyers seeking to lock in current borrowing costs ahead of any further rate increase, a pattern that has historically produced a short-term surge in transaction activity followed by a period of adjustment once new rates take hold.

Developers continue to describe the underlying supply constraint — driven by land scarcity, elevated construction costs and persistent labor shortages in the construction trades — as the more durable driver of Tokyo's elevated prices, one that a single rate cycle is unlikely to meaningfully reverse regardless of its effect on near-term buyer behavior.

*The average price of a new condominium in the greater Tokyo metropolitan area.*

## Yaesu Development Reflects Continued Confidence in Central Tokyo Office Space

*By Kenji Fukuda | Real Estate & Urban Development*

This week's opening of the Yaesu Tower complex adjacent to Tokyo Station arrives amid a broader central Tokyo office market that real estate economists describe as unusually resilient compared with major office markets elsewhere in the developed world, many of which continue struggling with elevated vacancy rates tied to persistent remote-work adoption.

Tokyo's comparatively swift and thorough return to office-centered work culture, real estate analysts note, has helped sustain demand for exactly the kind of large-scale, transit-integrated commercial development the Yaesu project represents, even as developers in New York, London and other global financial centers have scaled back comparable projects amid softer demand.

*London and other global financial centers have scaled back comparable projects amid softer demand.*

## Detective Conan and Chiikawa Continue Box Office Dominance Into Autumn

*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' continuing to lead the year's rankings at roughly ¥13.70 billion, followed closely by 'Chiikawa the Movie: The Secret of the Mermaid Island' at approximately ¥12.23 billion.

Industry watchers note that the strength of this year's box office, while genuinely encouraging, remains concentrated in a narrow band of established franchises rather than reflecting a broader recovery across the full range of theatrical releases — a pattern consistent with similar dynamics in film markets worldwide.

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

## Sound! Euphonium Finale Opens This Week to Anticipated Crowds

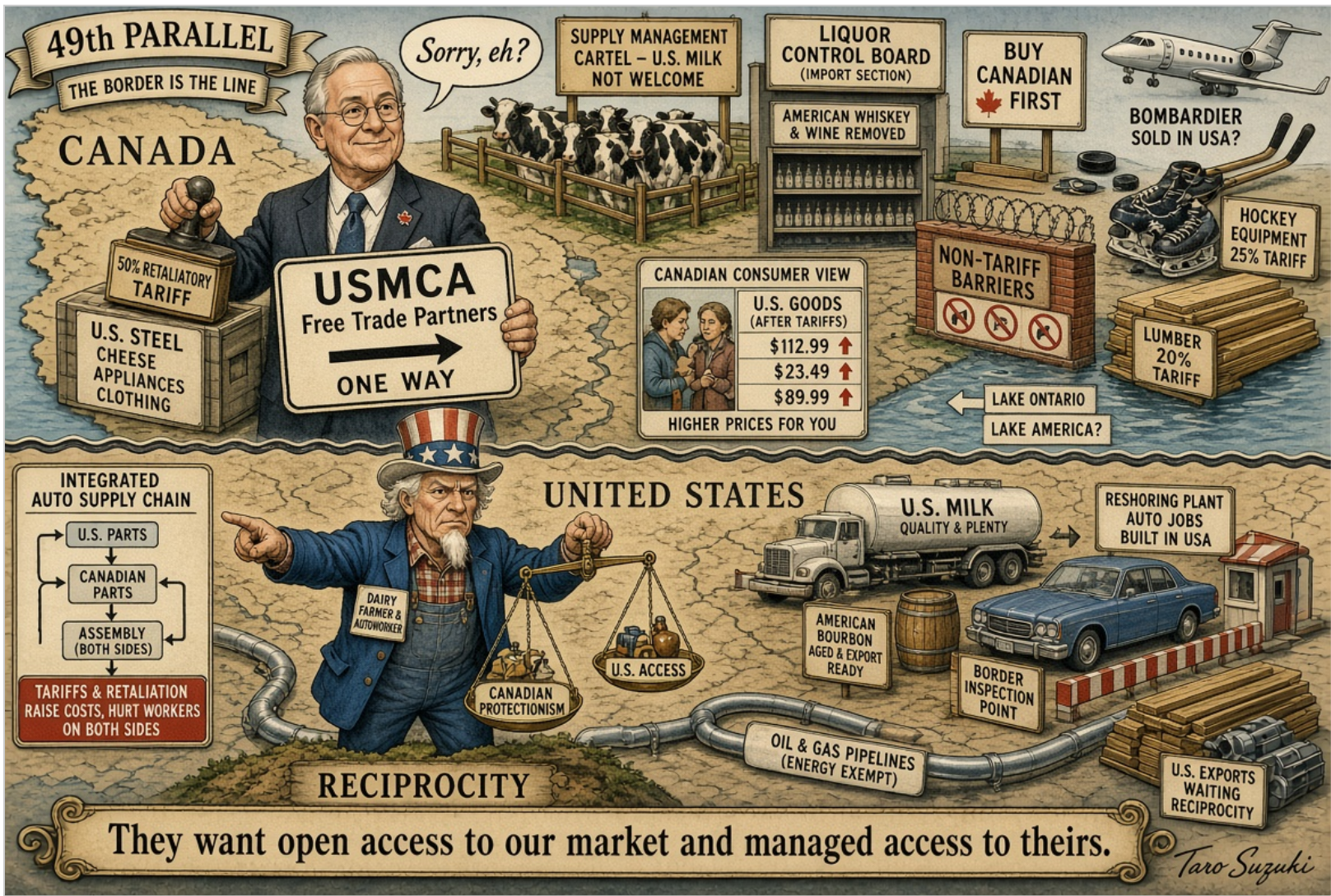
*By Naomi Kato | Culture & Society Editor*

The long-running 'Sound! Euphonium' franchise's concluding theatrical installment opens this week to what distributors describe as unusually strong advance ticket sales, capping a series that has built a devoted following across its television and film installments over the past decade.

Streaming distribution deals for the franchise's international release have already been finalized in several major markets, part of a broader trend this newspaper has covered in which Japanese theatrical anime releases increasingly secure simultaneous or near-simultaneous overseas distribution rather than the delayed, piecemeal localization that characterized the industry a decade ago.

*Streaming distribution deals for the franchise's international release have already been finalized in several major markets.*

EDITORIAL & OPINION



TODAY'S CARTOON

"They want open access to our market and managed access to theirs."

# Reciprocity, or the Illusion of It: What Washington and Ottawa Are Really Fighting About

Today's cartoon captures a trade war that is less about tariff schedules than about who gets to define fairness between two countries that built the most integrated economic relationship on earth

By Kenji Fukuda | Real Estate & Urban Development

Today's editorial cartoon, drawn by our own Taro Suzuki, does something political cartoons at their best have always done: it compresses a genuinely complicated dispute into a handful of images sharp enough to argue with. A Canadian prime minister apologizing reflexively while stamping retaliatory tariffs. An American everyman, dairy farmer and autoworker at once, holding scales tilted by "Canadian protectionism" against "US access." Milk that Canadians will not buy, lumber the Americans will not let in, hockey equipment taxed at 25% as if pucks and skates were the linchpin of continental security. It is funny in the way the best editorial cartoons are funny — which is to say, uncomfortably. And it is worth using as a starting point for a longer conversation, because the joke only lands if you already sense that something has gone genuinely wrong in a relationship both countries spent forty years building into the deepest economic integration between any two sovereign nations on the planet.

Start with what actually happened, since the pace of escalation has outrun most readers' ability to track it. On Aug. 22, the United States imposed a 50% tariff on roughly \$20 billion of Canadian goods, citing what Washington describes as chronically unfair Canadian trade practices, dairy market access chief among them. Canada's government, led by Prime Minister Mark Carney, spent the following two weeks negotiating, or attempting to, before announcing on Aug. 25 a retaliation package covering more than 700 American product categories worth some \$27.6 billion — steel and aluminum duties doubled to 50%, alongside fresh levies on dairy, appliances, agricultural equipment, pulp and paper, and electronics. Those countermeasures took effect at one minute past midnight on Sept. 8, matching Washington's tariffs, in Carney's own words, "dollar for dollar." In the same breath, notably, Carney's government eliminated Canada's own pre-existing 25% tariffs on a wide range of American consumer goods, effective Sept. 1 — a gesture that reads, depending on your priors, as either a good-faith olive branch or a tactical attempt to look reasonable while landing the harder blow elsewhere.

The dairy dispute at the center of both the American complaint and the cartoon's opening panel deserves more careful unpacking than either side's talking points typically offer, because it is, in miniature, a perfect case study in how trade disputes launder genuine disagreements about economic philosophy into disputes ostensibly about numbers. Canada operates a supply-management system for dairy, poultry and eggs — production quotas and import controls designed to guarantee domestic farmers stable prices and guaranteed markets, at the cost of higher consumer prices and, crucially, tightly limited market access for foreign producers. Under the current North American trade framework, American dairy exporters get access to a specific, negotiated slice of the Canadian market — commonly cited at under 5% — with tariff-rate quotas that impose steep duties on anything beyond that ceiling. American officials, including the current Commerce Secretary, have repeatedly described those over-quota tariffs as effectively prohibitive, occasionally citing rates as high as 250% on certain products. Canadian officials call those figures misleading, noting that the punitive rates apply only to volumes exceeding the negotiated access levels rather than to trade generally, and point to a 2023 dispute-panel ruling under the current framework that sided with Canada's interpretation of its own market-access commitments.

Both sides, in other words, are technically correct about numbers that measure different things, which is precisely the kind of dispute that trade wars are made of. The American complaint is that a negotiated 5% access ceiling is itself the injury — an artificially suppressed number that reflects Canadian protectionism regardless of whether Canada is honoring the letter of the specific tariff-rate quota it agreed to. The Canadian defense is that the 5% figure is not a violation but the deal itself, negotiated in good faith and upheld, by the relevant dispute mechanism's own finding, exactly as written. Reasonable people can disagree about which framing is more honest. What should be less disputable is that this is fundamentally an argument about whether a negotiated trade agreement, once signed, constitutes a durable commitment or merely a starting point for continuous renegotiation whenever one party concludes the original terms no longer serve its interests. That question, far more than the specific tariff schedules on cheese and whey, is what the current US-Canada relationship is actually litigating, and it is a question with implications that extend considerably beyond dairy, or lumber, or the automotive supply chains this newspaper's own reporting has covered in the context of Japan's parallel economic relationship with Washington.

Which is exactly why this newspaper believes the Canada dispute deserves sustained attention from Japanese readers who might otherwise treat it as a North American domestic matter with no direct bearing on Tokyo. It does not concern Japan directly. It concerns, with uncomfortable directness, the question of what kind of trading partner the current American administration considers itself to be — a question every country with a significant, negotiated economic relationship with Washington, Japan very much included, has an interest in watching answered by proxy, at Canada's expense, rather than discovering the answer firsthand. Canada is not a marginal or historically adversarial American trading partner suddenly drawn into confrontation. It is, by most measures, the single most integrated economy with the United States on earth: a shared automotive supply chain in which parts frequently cross the border multiple times during a single vehicle's assembly, an energy relationship so interwoven that even the current tariff exchanges have carved out explicit carbon-copy exemptions for oil and gas, a defense partnership dating to the Second World War, and a free-trade relationship, in one form or another, stretching back to 1988. If a relationship with that much accumulated institutional depth and mutual dependency can deteriorate into 50% reciprocal tariffs within roughly eighteen months of sustained friction, the lesson for every other American trading partner is not comforting, however each government chooses to characterize its own relationship's supposed resilience.

Japanese officials, this newspaper has reported elsewhere in today's edition, are watching precisely this dynamic, and drawing what they describe as a structural distinction: Japan's \$550 billion investment framework with Washington, negotiated more recently and built around forward-looking capital commitments in semiconductors, pharmaceuticals and artificial intelligence rather than the kind of bilateral goods-trade balance dispute that has driven the Canada relationship toward its current state, is different in kind, not merely in degree, from the arrangement now fraying between Washington and Ottawa. This newspaper hopes that distinction proves durable. We are not persuaded it is guaranteed to. Every trade relationship looks structurally different from every other trade relationship until the underlying dynamic that actually drives escalation — a sense, however contested, on one side that the terms of engagement no longer reflect fair reciprocity — asserts itself regardless of how the agreement happened to be architected. Canada, after all, believed its own relationship with Washington was different too, built as it was on decades of accumulated trust, formal treaty commitments, and an economic interdependence considerably deeper than anything Japan and the United States share even after a year of expanding investment cooperation.

Consider, too, the specific mechanism by which the Canada dispute escalated, because it offers a template worth understanding on its own terms rather than assuming it could not recur elsewhere. It did not begin with a dramatic rupture. It began with an accumulation of specific, sector-level grievances — dairy market access, softwood lumber pricing disputes that predate the current administration by decades, disagreements over digital-services taxation, complaints about Canadian steel and aluminum production capacity allegedly serving as a backdoor for Chinese-origin metal to reach the American market — each individually manageable, each the subject of its own negotiating track, none by itself sufficient to justify blanket 50% tariffs. What changed was not any single grievance reaching some objective threshold of severity. What changed was a political decision, on the American side, to bundle the accumulated grievances into a single, maximalist tariff action, betting that concentrated pressure would produce concessions that years of sector-by-sector negotiation had failed to extract. Whether that bet pays off, in the sense of ultimately producing a more favorable settlement for Washington than patient negotiation would have, remains genuinely unknowable from where we sit today, roughly two weeks into the retaliatory phase. What is already knowable is the cost of the bet's uncertain interim: measurably higher prices for consumers on both sides of the border, canceled or paused orders as businesses wait out the uncertainty, and a relationship between the two countries that will take considerably longer to rebuild than it took to fracture, regardless of how the current standoff eventually resolves.

There is a strain of commentary, on both sides of this dispute and in commentary this newspaper has reviewed from American, Canadian and third-country sources alike, that frames the conflict as fundamentally about fairness — about who has been taking advantage of whom, for how long, and what correcting that imbalance should reasonably cost the party doing the correcting. This newspaper is skeptical that "fairness," as a genuinely objective standard, does much useful work in disputes of this kind, not because fairness is an unworthy goal but because trade relationships this complex rarely admit of a single, uncontested baseline against which fairness can be measured. Is fairness measured by the dollar value of goods crossing the border in each direction? By market-access percentages in specific, politically sensitive sectors like dairy? By the relative openness of each country's regulatory environment to foreign investment? By historical patterns of who benefited more from the relationship's earlier decades? Each metric points toward a different conclusion about which side currently holds the stronger fairness claim, and each side in this dispute has, predictably, selected the metric that favors its own position. The scales in today's cartoon, weighted between "Canadian protectionism" and "US access," capture this dynamic precisely: both sides are certain the scale tips against them, and both can produce genuine, defensible evidence for why.

What can be said with more confidence is who pays for the uncertainty while the two governments argue past each other about whose fairness metric should prevail. It is not, primarily, the officials negotiating in Ottawa and Washington, whose salaries do not depend on quarterly trade volumes. It is the Canadian dairy farmer whose export ceiling was never really the point of contention but who now faces genuine market disruption regardless. It is the American lumber producer who spent years building capacity to serve a Canadian market now closing under retaliatory tariffs. It is, per this newspaper's own reporting elsewhere in today's edition, the small and mid-sized businesses on both sides of the border now navigating tariff-classification rules complicated enough to require dedicated compliance consulting, an entire ancillary industry that exists only because the underlying dispute has made cross-border trade meaningfully harder to conduct with confidence. None of these parties had much say in the negotiating strategy now determining their livelihoods. All of them will absorb its costs for considerably longer than the political news cycle that produced the current standoff will remain focused on it.

Continued on Page 13

EDITORIAL & OPINION

Reciprocity, or the Illusion of It: What Washington and Ottawa Are Really Fighting About — Continued from Page 12

This is, ultimately, why this newspaper believes the Canada-US dispute merits the sustained, serious attention we have given it today rather than treatment as a passing item in the world-news roundup. It is not a story about Canada, specifically, or even primarily about the United States. It is a story about what happens when two governments, each convinced of the fundamental reasonableness of its own position, discover that the accumulated institutional trust built over decades of formal agreement provides less genuine protection against rapid escalation than either side had assumed going in. Every country that maintains a significant, negotiated economic relationship with a major trading partner — and that describes Japan's relationship with the United States as precisely as it once described Canada's — has a direct interest in understanding exactly how that trust eroded, how quickly it eroded once the erosion began in earnest, and what, if anything, might have preserved it. This newspaper does not have a confident answer to that last question. We suspect no one fully does yet, including the officials currently managing the dispute in real time. What we can offer, in place of a confident answer, is the argument this cartoon makes visually and this essay makes at length: that reciprocity, invoked by both sides as though it were a self-evident, objectively measurable standard, is in practice a claim each party gets to define for itself — and that a relationship built on the assumption that both parties would keep defining it compatibly forever was, perhaps, always more fragile than either side wanted to believe while the assumption still held.

Where does this leave Japan, the country this newspaper exists to serve first? Watchful, we would argue, rather than either complacent or alarmed. The structural differences Japanese officials cite between their own framework with Washington and Canada's original arrangement are real and worth taking seriously; this is not a prediction that Japan's relationship with the United States is destined for a comparable rupture. But the deeper lesson of the Canada dispute is not about the specific structural features of any one agreement. It is about the durability of institutional trust once accumulated grievances, however individually manageable, are bundled into a single maximalist demand for renegotiation. Japan's own framework remains young enough that it has not yet faced a comparable test. This newspaper hopes it never does. We would be doing our readers a disservice, however, if we allowed that hope to substitute for the kind of clear-eyed attention this newspaper intends to keep paying to a dispute that, whatever else it proves, has already demonstrated how quickly reciprocity can curdle into recrimination between two countries that, not so very long ago, would have called each other's economic relationship the closest thing to a model the world had to offer.

There is a further lesson here, one this newspaper believes deserves explicit statement rather than remaining implicit in the comparison we have drawn throughout this essay: the speed of the Canada dispute's escalation should recalibrate how every trading partner of the United States, Japan included, thinks about the useful shelf life of a negotiated framework. It has become fashionable, in commentary this newspaper has reviewed from several capitals, to treat a signed trade agreement as a kind of permanent settlement — a fact of the landscape, stable until formally renegotiated through the same deliberate process that produced it. The Canada experience argues otherwise. The current North American trade framework was not abrogated through any formal renegotiation process. It was functionally superseded by unilateral tariff action justified through national-security and reciprocal-trade authorities that exist, in the American legal and political system, alongside and in some tension with the formal treaty commitments most observers assumed governed the relationship. Japan's own \$550 billion framework, however carefully structured, exists within that same broader legal and political environment, subject in principle to the same categories of unilateral action should the political calculus in Washington shift. This newspaper is not predicting that shift. We are noting that the Canada dispute has demonstrated, empirically rather than theoretically, that the shift is available as a policy tool regardless of what any specific bilateral framework's text formally promises either party.

That observation should inform, we believe, how Japanese officials and business leaders think about resilience rather than merely compliance in managing the American relationship going forward. Compliance — meeting the letter of negotiated commitments, maintaining the specific investment timelines and sector allocations the framework specifies — remains necessary but, on the evidence of Canada's experience, plainly insufficient to guarantee durable protection against a shift in the broader political weather. Resilience requires something more: diversification of export markets and supply-chain dependencies sufficient that no single bilateral relationship, however important, constitutes an existential vulnerability should its terms suddenly shift; sustained, high-level diplomatic engagement maintained continuously rather than activated only when friction emerges, precisely the pattern Japanese officials describe pursuing through repeated ministerial contact with their American counterparts; and a domestic political willingness, cultivated in advance rather than improvised under pressure, to absorb short-term costs in defense of longer-term positioning, should a comparable dispute ever reach Japan's own doorstep. Canada, this newspaper's reporting suggests, is discovering the costs of having under-invested in precisely this kind of resilience during the decades when its relationship with Washington seemed too foundational to require active defense. Japan, still building the newer, more consciously tended relationship its current framework represents, retains the opportunity to invest in that resilience proactively rather than reactively. Whether it does so, this newspaper intends to keep watching as closely as we have watched the dispute that prompted this essay in the first place.

One final observation, drawn from this newspaper's own institutional memory of covering trade disputes across several administrations in Washington and successive governments in Tokyo: the disputes that end most quickly, and least destructively, tend to be the ones where both governments can identify a face-saving off-ramp early, before domestic political investment in the confrontation makes de-escalation look like capitulation to each side's own constituents. That off-ramp has not yet clearly emerged in the Canada-US dispute, and this newspaper is not in a position to predict when, or whether, one will. What we can observe is that Carney's simultaneous decision to eliminate Canada's own pre-existing tariffs on American goods even while matching Washington's new measures dollar for dollar reads, on close examination, as precisely this kind of off-ramp-preserving maneuver: a signal, embedded within an otherwise confrontational package, that Ottawa remains willing to de-escalate should Washington offer a comparable gesture in return. Whether Washington reads that signal as intended, or simply as evidence that its own pressure campaign is working and should therefore continue, will likely determine whether this dispute resolves in the coming months or grinds on considerably longer, at considerable and continuing cost to exactly the workers, farmers and small businesses on both sides of the border this essay has already named as the conflict's real, if largely voiceless, stakeholders. Japan, watching from across the Pacific, has every reason to hope for the faster resolution — not out of any direct stake in dairy tariffs or lumber duties, but because a Washington that successfully wins a maximalist confrontation with one of its closest allies is a Washington considerably more likely to consider maximalist confrontation a viable tool the next time friction emerges with a trading partner, wherever in the world that partner happens to sit.

EDITORIAL & OPINION

# What Selling Treasuries to Save the Yen Really Tells Us

*Monday's confirmation that Japan financed its record currency defense by liquidating US bonds is not just a market footnote. It is a preview of the next decade of Japanese economic statecraft.*

By Samantha Ortiz | Editorial Page Editor

There is a species of financial news that arrives dressed as a technicality and turns out, on reflection, to be a revelation. Monday's Finance Ministry data — confirming that Tokyo's holdings of foreign securities fell by \$87.8 billion in August, a decline that lines up almost exactly with the ¥15.4 trillion, or roughly \$98.6 billion, the government has already acknowledged spending to defend the yen — belongs to that species. On its face, it is bookkeeping: a reserve manager rebalancing a portfolio to fund an operation everyone already knew had happened. Underneath, it is something considerably larger. It is confirmation that the government of the world's fourth-largest economy is now willing to sell down its holdings of the world's most important safe asset, in size, repeatedly, to defend a currency it once treated as an afterthought of trade competitiveness. That is not a technicality. That is a genuine shift in how Japan understands its own economic sovereignty, and this newspaper believes it deserves more sustained attention than a single day's market commentary can give it.

Start with the scale, because the scale is the story. Japan holds more US Treasuries than any other foreign government on earth, a position built up over decades as the natural consequence of a persistent current-account surplus, a domestic savings glut with nowhere productive to go, and a policy establishment that has, since at least the 1980s, treated recycling trade surpluses into dollar assets as something close to a national duty. By trader estimates, roughly 70% of Japan's total foreign reserves sit in instruments of this kind. That is not a diversified sovereign wealth fund hedging against a range of outcomes. It is a concentrated, decades-deep bet on the durability of American fiscal credit, held not primarily as an investment but as a strategic reserve — the thing you sell when you need dollars in a hurry and need the world to believe you can produce them without blinking. August was the month Japan blinked, in the specific sense of finally, visibly, reaching for that reserve at a scale that could not be waved away as routine portfolio management. The last time anything comparable happened was 1998, and before that you have to go back further still to find a period when Japanese currency intervention ran at a comparable intensity relative to the size of the economy defending itself.

It is worth pausing on why an economy this large, with institutions this sophisticated, found itself in a position where liquidating tens of billions of dollars in Treasuries in a single month was the necessary response rather than one option among several equally viable ones. The proximate cause is well understood by now, and this newspaper has covered it in real time as it unfolded: a yen that slid to roughly 164 per dollar in late July, its weakest level in about four decades, driven by a stubborn interest-rate gap between an American central bank in no hurry to cut and a Bank of Japan that spent years anchored near zero even as inflation, imported substantially through that same weak currency, ground away at household purchasing power. But the proximate cause only explains the timing. It does not explain why intervention, rather than simply raising rates faster, became the tool of first resort. That requires understanding something less discussed in the day-to-day coverage: the Bank of Japan's own institutional caution, forged across three decades of deflationary scar tissue, about moving borrowing costs quickly enough to actually close a rate gap of the magnitude that opened against the dollar this year. Intervention is, in that light, less a strategy than a stopgap — a way of buying time for a central bank still relearning, after a generation of near-zero rates, how to move at the pace a genuinely inflationary, currency-sensitive environment demands.

That stopgap character matters enormously for how we should read what comes next. An intervention that works because it buys time for monetary policy to catch up is a fundamentally different animal from an intervention that is trying to substitute for monetary policy indefinitely. The former is defensible, arguably prudent, statecraft: smoothing an adjustment that markets, left entirely to their own devices, might have executed with more volatility than the real economy could comfortably absorb in a single summer. The latter is a much riskier proposition, because foreign-currency reserves, however large, are a depletable resource in a way that the credibility of a determined central bank, properly wielded, is not. Every billion dollars of Treasuries sold to buy yen is a billion dollars that cannot be sold again next month without either replenishment through a resumed current-account surplus or an uncomfortable conversation about how much ammunition genuinely remains. Japan is not remotely close to exhausting its reserves — its total foreign reserve position remains among the largest in the world even after August's drawdown — but the psychological shift from a country that intervenes rarely, as a last resort, to one that has now done so repeatedly within a single year is itself a market-moving fact, independent of the raw numbers. Traders price persistence. A government that has shown it will intervene once, and then again, and then coordinate with Washington to do so a third time, has taught the market something about its reaction function that cannot be easily untaught, for better or worse, the next time the yen wanders toward levels Tokyo finds uncomfortable.

Which brings us to the joint character of the operation, arguably the single most important detail buried in Monday's data and the one this newspaper believes has received insufficient attention relative to its significance. Treasury Secretary Scott Bessent's confirmation that Washington participated directly in at least one round of intervention, and his explicit statement that the United States "will not hesitate to participate in further joint intervention," marks the first such coordinated yen-buying operation between the two governments since 1998. That is not a small thing to have happened, however quietly it arrived amid a summer dominated by other, louder headlines. For nearly three decades, the default American posture toward Japanese currency intervention has ranged from studied indifference to mild, occasionally pointed, disapproval — a legacy of decades in which Washington's chief currency complaint about Tokyo ran in the opposite direction, accusing Japan of keeping the yen artificially weak to subsidize its exporters rather than propping it up to protect its consumers. That the roles have now reversed so completely that the US Treasury Secretary is publicly committing to help Japan strengthen its currency represents a genuine inversion of a trade-and-currency dynamic that shaped US-Japan economic relations for the better part of two generations.

Readers should not mistake this inversion for altruism, or even primarily for alliance solidarity, however warmly both governments have chosen to frame it. Washington has its own reasons to want a stronger yen just now, reasons that have relatively little to do with Japanese household purchasing power and considerably more to do with the currency-adjacent politics of America's own trade posture. A weak yen has, for years, functioned as a kind of stealth subsidy for Japanese exporters competing against American manufacturers, inflating the dollar value of yen-denominated earnings and giving Japanese firms room to price aggressively in dollar terms without sacrificing margin at home. An administration that has made explicit, repeated arguments about currency practices among trading partners — including, this newspaper notes without editorializing on the broader merits, in contexts well beyond Japan — has every incentive to welcome, and even actively assist, a yen appreciation that blunts one of the less visible advantages Japanese exporters have enjoyed. The joint intervention, in other words, likely represents a genuine convergence of interest between Tokyo and Washington rather than a favor extended in one direction. Japan wants relief for its households; the United States wants a currency alignment that eases one persistent irritant in an otherwise deepening economic partnership. Both governments got something real out of August's operation, which is precisely why it is more likely to recur than a one-sided favor would be.

But convergence of interest on the currency question sits awkwardly beside a genuine, and only partially resolved, tension on the bond-market question — and this is where the story turns from monetary policy into something closer to a live negotiation over the architecture of the two countries' financial interdependence. Bessent's own public remarks, even as he confirmed and welcomed the joint intervention, carried an unmistakable undercurrent of concern about the effect of Treasury sales on long-term yields. That concern is not paranoid. The United States runs persistent, large fiscal deficits that depend on a deep pool of willing buyers for its debt, and Japan has historically been among the most reliable of those buyers precisely because its motives — reserve management, alliance considerations, the search for a safe, liquid asset to park a savings glut with nowhere else productive to go — have rarely aligned with pure yield-chasing that might abandon Treasuries the moment a marginally more attractive alternative appeared. A Japan that sells Treasuries not because it has found a better investment but because it needs dollars to buy yen is a different kind of seller: not disloyal, exactly, but newly willing to treat its Treasury stockpile as an instrument of its own domestic economic management rather than a permanent, largely passive commitment to underwriting American fiscal policy. That is a subtle distinction, but bond markets live and die on subtle distinctions about the motives of large holders, and several of the currency strategists this newspaper has spoken with in reporting this story describe exactly this reclassification — from passive holder to active, contingent seller — as the detail keeping Treasury desks in New York paying closer attention to Tokyo's reserve data than they have in years.

There is a version of this essay that stops here, content to describe a genuine but bounded market story: an intervention, a Treasury sale, a currency that strengthened, two governments that found their interests aligned for a season. This newspaper thinks that version understates what is actually happening, because it treats August's intervention as an isolated event rather than as a data point in a longer, still-unfolding pattern about how Japan is choosing to relate to its own accumulated dollar wealth. Consider the timeline in full: an initial, large round of intervention at the end of July as the yen touched its weakest point in four decades; a partial reversal over the following two weeks as the effect faded and the currency drifted back toward its prior weakness, demonstrating the limits of intervention alone; a second, larger, explicitly joint operation in early August that finally broke the pattern and pushed the yen decisively through 155; and now, in September, a currency trading at its strongest level since February, with speculation swirling — speculation this newspaper has reported but cannot yet confirm — that Japan's Government Pension Investment Fund, the largest pool of long-term savings in the world, may be preparing to shift allocations further toward domestic assets in a way that would reduce reliance on intervention going forward. Read as a sequence rather than a single event, this is not a government that stumbled into an emergency measure and hopes never to repeat it. This is a government that tried a moderate intervention, watched it fail to hold, escalated to a coordinated operation with its most important ally, and is now exploring structural changes to its own largest pool of long-term savings that would make future currency management less dependent on episodic, headline-grabbing Treasury sales. That is not crisis management. That is the early architecture of a new, more actively managed approach to how Japan deploys its enormous accumulated foreign wealth — an approach this newspaper expects to see refined, rather than abandoned, over the coming years regardless of where the yen happens to be trading on any given Tuesday.

What would it mean for that approach to become durable rather than episodic? Several consequences follow, and this newspaper believes each deserves more careful thought from policymakers, investors and ordinary households than the current news cycle, fixated as it inevitably is on the day's exchange rate, tends to allow. First, and most immediately, Japanese corporate treasurers — a constituency this newspaper has spoken with extensively in recent weeks — will need to build a more explicit government-intervention variable into currency hedging strategies that, for a generation, could reasonably assume Tokyo's role in currency markets was minimal and reactive. A firm that hedges its dollar exposure assuming the yen moves primarily on interest-rate differentials and trade flows is now managing a genuinely different risk profile than one that must also price in the probability of coordinated, multi-billion-dollar government intervention at moments of the ministry's choosing. That is not an abstract concern; it changes the actuarial math behind hedging decisions worth, in aggregate across corporate Japan, hundreds of billions of dollars annually.

Second, and more structurally, a Japan more willing to actively manage its Treasury holdings as a policy instrument rather than a passive reserve raises genuine, if still distant, questions about the ceiling on that willingness. Japan is not remotely near any point where continued selling would meaningfully threaten its own financial stability or genuinely imperil the Treasury market's functioning; the volumes involved, while individually enormous by the standards of ordinary currency trading, remain a small fraction of Japan's total holdings and an even smaller fraction of the Treasury market's daily turnover. But markets do not price only the present state of affairs; they price trajectories, and a trajectory of escalating willingness to sell, even from a position of abundant remaining capacity, changes how every other large holder of Treasuries — sovereign wealth funds, central banks, private institutional investors — models the behavior of the marginal seller in a future stress scenario. If Japan, historically among the most reliable and least opportunistic large holders of US debt, can be induced to sell in scale to manage a domestic currency problem, other large holders with less sentimental attachment to the relationship may draw their own conclusions about what circumstances might justify similar behavior on their part. This newspaper does not believe that risk is imminent. We do believe it is now, for the first time in a generation, a risk worth naming explicitly rather than assuming away.

Third, and closer to home for the households this newspaper exists to serve, a Japan more comfortable actively managing currency strength changes the calculus around exactly the cost-of-living debate that has dominated domestic politics for three years running. A stronger yen achieved partly through deliberate government action, rather than purely through organic market forces or Bank of Japan rate policy, is a stronger yen the government can plausibly claim some credit for — and, more importantly, a policy lever it can in principle reach for again if food and energy import costs threaten to reaccelerate before the structural drivers of that inflation, from global supply chains to domestic agricultural policy, are genuinely resolved. That is, in one sense, reassuring: households have one more line of defense against the kind of imported inflation shock that made 2023 through 2025 so politically combustible. It is also, in another sense, a reason for this newspaper's characteristic caution about mistaking a useful tool for a genuine solution. Intervention eases symptoms. It does not address why Japan's savings-heavy, export-oriented economic model produces the kind of currency volatility that makes intervention necessary in the first place, nor does it resolve the more fundamental question of whether an economy this dependent on food and energy imports can ever fully insulate its households from global price swings through currency management alone, however skillfully deployed.

Continued on Page 15

EDITORIAL & OPINION

*What Selling Treasuries to Save the Yen Really Tells Us — Continued from Page 14*

Fourth, and finally, this episode should reshape how this newspaper, and readers more broadly, think about the durability of the broader US-Japan economic partnership heading into a genuinely uncertain period. The joint intervention arrived amid a summer that also brought a \$550 billion investment framework under implementation, an active, ongoing conflict in the Gulf with direct implications for Japanese energy security, and now a Canada-US trade dispute this newspaper covers elsewhere in today's edition that offers a instructive, if imperfect, comparison case for how quickly even deeply integrated trading relationships can sour once negotiations stall. Japan's currency story and Canada's trade story are not the same story — Japan's framework was negotiated more recently and with different structural features than Canada's original arrangement with Washington, and Japanese officials are right to note that distinction rather than assume their own relationship is immune to comparable strain. But both stories share a common thread this newspaper considers the defining feature of the current moment in global economic diplomacy: bilateral relationships that once ran largely on institutional inertia, extended across decades of accumulated trust and interlocking commercial interest, now require active, continuous management from both governments to avoid drifting toward exactly the kind of adversarial dynamic now playing out between Washington and Ottawa. Japan, unlike Canada, has so far managed that active tending successfully. Whether it continues to do so likely depends less on any single policy decision than on whether Tokyo and Washington can keep finding the kind of genuine, mutual interest that made August's joint intervention possible — a convergence this newspaper hopes, but cannot promise its readers, will prove as durable as the currency gains it purchased.

None of which is to say August's operation was a mistake, or even a particularly close call as policy decisions go. Faced with a currency at a four-decade low, inflicting real, measurable damage on household purchasing power at a moment of already-elevated political sensitivity around cost-of-living pressure, a government that had the tools available and chose not to use them would have invited far sharper criticism, and arguably deserved it, than a government that used those tools decisively and, on the available evidence, effectively. The yen has strengthened meaningfully since the intervention began. Households are, by the most direct measure available, better off than they would have been absent the operation. This newspaper's purpose in examining the episode at this length is not to second-guess a defensible decision but to insist that readers, and the policymakers who serve them, understand what that decision actually cost, what it revealed about the limits of monetary policy alone, and what it commits Japan to watching for, and potentially repeating, in the months and years ahead. The headline figure — \$87.8 billion in Treasuries sold — will fade from the news cycle within days, replaced by whatever number dominates tomorrow's market commentary. The underlying shift it represents, in how actively Japan is now willing to manage its own currency and, by extension, its own relationship to the dollar-denominated financial system it has spent decades helping to underwrite, deserves to outlast that news cycle by considerably longer. This newspaper intends to keep watching it that closely, and we would encourage our readers, whatever their own exposure to currency markets, to do the same.

EDITORIAL & OPINION

# Japan's Demographic Countdown Has No Deadline, Which Is the Problem

*A rare first-half rise in births made headlines this summer. This newspaper argues it changes nothing about the arithmetic Japan has spent three decades failing to confront honestly*

By Naomi Kato | Culture & Society Editor

Japan recorded 342,068 births in the first half of this year, a 0.8% increase over the same period last year and, by the health ministry's own account, the first January-June rise in eleven years. The figure made national headlines, generated a round of cautiously hopeful commentary from officials eager for any evidence that years of expanded parental leave, childcare subsidies and immigration policy adjustments might finally be bending a curve that has run in one direction for the better part of two decades, and then, characteristically, receded from the news cycle within a matter of days, crowded out by currency intervention, cabinet reshuffles and trade wars on other continents. This newspaper understands the impulse to move on. We do not share it. Japan's demographic trajectory is not a story that generates fresh news each week, which is precisely why it is so persistently underweighted relative to its actual importance, and precisely why this newspaper has chosen to give it the sustained treatment a single-quarter data point cannot substitute for.

Start with what the encouraging number actually represents, stripped of the hopeful framing that inevitably surrounds any deviation, however slight, from eighteen consecutive years of decline. A 0.8% increase over a comparably weak prior-year base is not a reversal. It is closer to a rounding error dressed up as a trend, and demographers who study Japan's fertility patterns have been explicit, in conversations with this newspaper's reporters, that similar brief upticks have occurred at several points over the past two decades without altering the underlying trajectory in any lasting way. The mechanisms behind this particular uptick are plausible enough on their own terms — a modest post-pandemic rebound in marriages, the cumulative effect of expanded government support sustained over several budget cycles, a slight easing in the acute cost-of-living pressure that dominated the years immediately following the rice-price crisis — but plausibility is not the same as durability, and this newspaper would be doing readers a disservice if we allowed a single encouraging data point to substitute for the far less comfortable arithmetic underlying it.

That arithmetic, for readers who have not sat with it recently, runs as follows. Japan's total fertility rate — the average number of children a woman would have across her reproductive lifetime under current age-specific birth rates — has sat well below the 2.1 children per woman generally considered necessary for a stable population, absent significant net immigration, for more than four decades. It has been below 1.5, the threshold demographers often treat as marking a genuinely difficult recovery path, for roughly three decades. Recent years have seen it drift toward and occasionally below 1.2, a level that implies, if sustained indefinitely without offsetting immigration, a population roughly halving every generation and a half. Japan's total population has already begun its long-anticipated decline from a peak of approximately 128 million in the mid-2000s, and current government projections, which this newspaper has examined in detail, envision a population somewhere in the region of 87 million by 2070 under continuation of recent trends — a contraction of roughly a third from the country's modern peak, concentrated overwhelmingly among the working-age population that must, in the interim, support an increasingly large elderly cohort through the tax and social-insurance system.

It is worth dwelling on what that support burden actually means in practice, because the phrase "aging society" has become so familiar in Japanese public discourse that it risks losing its capacity to alarm, which is itself part of the problem this newspaper wants to name directly. Japan's old-age dependency ratio — the number of people 65 and older relative to the working-age population — has already climbed to among the highest levels anywhere in the world, and continues climbing on a trajectory that shows no sign of plateauing before the 2040s at the earliest. Every incremental point on that ratio translates directly into higher required contribution rates for pension and health insurance, or reduced benefit levels, or some politically fraught combination of both, distributed across a shrinking base of working-age taxpayers who are, not coincidentally, the same generation facing the housing costs, wage stagnation relative to cost-of-living, and general economic uncertainty that likely contribute to the very fertility decline compounding their eventual burden. This is not a distant, hypothetical crisis for policymakers of the 2040s to solve. It is a slow-motion fiscal transfer already underway, showing up today in the elevated social-insurance premiums deducted from every Japanese paycheck, in the multi-decade upward creep of the pensionable age, and in health-ministry projections this newspaper has reviewed that describe current benefit structures as unsustainable without further reform on a timeline measured in years, not generations.

This newspaper has covered, in prior editions, the government's policy response across several fronts — expanded parental leave and childcare subsidies aimed directly at the fertility rate, gradual and politically delicate adjustments to immigration policy intended to admit more foreign workers into sectors facing acute labor shortages, and incremental changes to pension and long-term-care financing designed to keep both systems solvent as the dependency ratio continues its climb. We have generally described these measures, accurately in our assessment, as responsible incrementalism: real policy, seriously conceived, operating at a scale that has not yet, and by most demographic projections cannot plausibly, reverse the underlying trajectory. What this newspaper has not done, in the necessarily compressed format of daily news coverage, is examine why that gap between policy effort and demographic outcome persists so stubbornly, and what it might actually take to close it — questions this longer format finally gives us room to address properly.

Part of the answer is structural and, this newspaper believes, insufficiently acknowledged in mainstream Japanese policy discourse: fertility decline of the kind Japan has experienced is not primarily a problem that responds to marginal financial incentives, however generously funded, because the underlying decision to have children, or not, or to have fewer than a prior generation considered typical, reflects a dense tangle of factors that childcare subsidies address only partially. Housing costs in the major metropolitan areas where an increasing share of Japan's young workforce is concentrated remain a persistent drag on family formation, a dynamic this newspaper has covered extensively in our real estate coverage and one that expanded parental benefits do relatively little to offset when the more binding constraint is simply the physical and financial space required to raise children in central Tokyo or Osaka. Workplace culture, particularly around parental leave uptake by fathers and the career penalties still disproportionately borne by mothers who take extended leave, remains a persistent friction point that policy can nudge but has struggled to fundamentally transform, notwithstanding genuine legal entitlements to leave that, in practice, many workers report feeling unable to fully use given prevailing workplace norms around continuous availability and visible commitment. And a broader generational shift in attitudes toward marriage and family formation — later average age at first marriage, a rising share of the population that does not marry at all, shifting expectations around what a stable, desirable life looks like for a generation that came of age during Japan's prolonged economic stagnation — operates on a timescale and through mechanisms that annual budget allocations, however well-intentioned, are simply not well suited to address.

None of which is an argument against the government's current policy approach, which this newspaper continues to believe is worth pursuing on its own, more modest terms: even a policy response that cannot fully reverse the demographic trajectory can still meaningfully improve the lives of the families it reaches, and meaningfully slow a decline that would otherwise proceed even faster. But it is an argument for a more honest public conversation than Japan has generally been willing to have about what the policy response can and cannot achieve, and about the harder structural questions — regional economic concentration, workplace culture, housing policy, the broader question of what a good life looks like for Japan's younger generations — that sit upstream of the fertility rate itself and that budget-line childcare subsidies, however expanded, cannot substitute for addressing directly.

The immigration question deserves particular attention here, precisely because it remains, by wide agreement among the economists and policy specialists this newspaper regularly consults, the single lever with the clearest capacity to meaningfully offset workforce decline over the medium term, and precisely because it remains, for reasons rooted deeply in Japanese political culture, the lever policymakers have been most reluctant to pull decisively. Japan has, in fact, expanded pathways for foreign workers considerably over the past decade, particularly in sectors facing the most acute shortages: caregiving, construction, agriculture, and increasingly skilled technical fields tied to the semiconductor and broader manufacturing revival this newspaper has covered extensively in recent months. Net immigration has, as a direct result, become a meaningfully positive contributor to Japan's total population figures even as the natural balance of births against deaths remains sharply negative. But the scale of that expansion, considered against the scale of the demographic gap it would need to close to meaningfully alter Japan's long-term trajectory, remains modest by the standards of other advanced economies that have leaned far more heavily on immigration to offset comparable fertility declines. The political economy of that reluctance is not mysterious — a country with Japan's particular history of ethnic and cultural homogeneity, and a public discourse that has historically approached questions of national identity with considerably more caution around immigration than most Western peer economies, does not shift its immigration posture quickly or without sustained domestic political effort. But this newspaper believes that reluctance, whatever its historical and cultural roots, increasingly functions as a policy choice with real fiscal and economic consequences, not a neutral default that carries no cost of its own.

There is a version of this argument, one this newspaper has heard from several serious policy voices in recent years, that treats Japan's demographic decline as fundamentally manageable, even potentially beneficial, if approached with sufficient technological and institutional creativity: a smaller population, the argument runs, need not mean a poorer or less capable one if productivity gains, automation, and a more efficiently targeted social safety net can offset the shrinking workforce's raw numerical decline. This newspaper takes that argument seriously rather than dismissing it as wishful thinking, because there is real substance to it. Japan's investments in robotics and automation, partly driven by exactly the labor shortages this newspaper's demographic reporting has documented, have produced genuine productivity gains in manufacturing and increasingly in service sectors that a country with abundant labor might never have been forced to pursue with comparable urgency. A smaller, older, more capital-and-technology-intensive Japan is not a contradiction in terms, and this newspaper does not believe demographic decline is destiny in the sense of guaranteeing national decline more broadly.

But we do not believe the productivity-offset argument, taken to its most optimistic conclusion, adequately addresses the transition costs that stand between Japan's current demographic position and whatever stable, smaller equilibrium the optimistic case eventually envisions. Those transition costs are not evenly distributed. They fall disproportionately on the working-age cohort now supporting a rapidly growing elderly population through a social-insurance system whose contribution rates have already climbed substantially and show every sign of climbing further before any productivity-driven offset could plausibly stabilize the fiscal arithmetic. They fall on rural and regional communities, a subject this newspaper's own reporting has touched on repeatedly, where population decline proceeds considerably faster than the national average and where the productivity-offset story, dependent as it is on capital investment that flows disproportionately toward major metropolitan areas, offers considerably less reassurance. And they fall, in a less quantifiable but no less real sense, on a younger generation asked to build careers, families and communities within an economy whose long-term trajectory remains genuinely uncertain in ways that shape decisions — about marriage, about children, about where to live and what kind of career to pursue — that feed directly back into the demographic numbers this essay opened by examining. The productivity-offset case may well prove correct as a description of Japan's eventual, stable, smaller-population equilibrium decades from now. It offers considerably less guidance about how to manage the decades of transition between today's demographic reality and that eventual, more comfortable resting point.

This newspaper's own view, arrived at through the kind of sustained attention this format finally allows us to demonstrate rather than merely assert, is that Japan's demographic policy conversation would benefit from abandoning two comfortable framings simultaneously. The first is the periodic wave of cautious optimism that greets any encouraging data point, this summer's first-half birth increase very much included, as though a single quarter or half-year's figures could meaningfully alter a trajectory built up over four decades of sustained below-replacement fertility. The second, equally unhelpful, is a kind of fatalistic resignation that treats the demographic trajectory as an unstoppable force policy can only marginally soften rather than a set of interlocking structural choices — about immigration, about regional economic development, about workplace culture, about housing policy in major metropolitan areas — that remain, at least in principle, subject to considerably more ambitious intervention than Japan has so far been politically willing to attempt. The honest position, uncomfortable as it may be for a political culture that has generally preferred incremental adjustment to structural confrontation, is that Japan's demographic trajectory reflects choices as much as inevitabilities, and that the policy conversation of the past decade, for all its genuine sincerity, has generally operated within a range of ambition too narrow to meaningfully alter the arithmetic this essay has laid out at length.

None of this is a counsel of despair, and this newspaper wants to be explicit that it is not intended as one. Japan retains enormous accumulated wealth, world-leading technological capacity in exactly the automation and robotics fields most relevant to managing a shrinking workforce, a well-functioning if increasingly strained social-insurance infrastructure, and, per this summer's own encouraging if modest data point, a younger generation that has not entirely abandoned the prospect of family formation even amid genuinely difficult economic circumstances. These are real assets, and this newspaper does not believe Japan's demographic challenge is unmanageable in the sense of threatening the country's basic stability or prosperity over any reasonable planning horizon. What we do believe, and what this extended treatment has aimed to demonstrate rather than merely assert, is that managing the challenge well requires a level of sustained, honest, structurally ambitious policy attention that a single encouraging data point, however welcome, cannot substitute for.

Consider, by way of closing this argument with something more concrete than general exhortation, what a genuinely ambitious policy agenda might actually contain, beyond the incremental adjustments this newspaper has already credited the current government with pursuing. Regional economic development sufficient to make life outside the three largest metropolitan areas genuinely competitive, rather than a fallback for those unable to secure opportunity in Tokyo or Osaka, would address the housing-cost and space constraints this essay has already identified as a binding constraint on family formation more directly than any childcare subsidy calibrated to metropolitan living costs. A more fundamental renegotiation of workplace norms around continuous availability and visible long-hours commitment — not merely legal entitlements to parental leave, which already exist on paper, but a genuine cultural shift in how career advancement is judged — would address the career-penalty dynamic that discourages leave uptake more effectively than incremental extensions to leave duration alone. And an immigration policy calibrated not merely to filling specific sectoral labor shortages as they emerge, but to building a coherent, sustained pathway toward a meaningfully larger foreign-born working-age population over a multi-decade horizon, would address the workforce arithmetic at a scale current policy, for all its genuine expansion in recent years, has not yet approached. None of these three shifts is politically costless. Each would require sustained political capital, spent across multiple electoral cycles and multiple changes of government, in a political system that has generally rewarded caution over the kind of structural ambition this newspaper is describing. That is precisely why this newspaper considers the demographic question, for all its slow-moving, headline-resistant character, one of the defining tests of Japanese governance over the coming decade — a test considerably harder to pass than managing any single quarter's currency intervention or trade dispute, and considerably more consequential for the country's fortunes a generation from now.

Continued on Page 17

EDITORIAL & OPINION

*Japan's Demographic Countdown Has No Deadline, Which Is the Problem — Continued from Page 16*

This newspaper does not expect that ambitious agenda to arrive fully formed, nor do we believe any single government, however capable, could execute all three shifts simultaneously without risking the kind of political backlash that has derailed structural reform efforts in Japan before. What we do believe, and what we intend to keep arguing in the pages of this newspaper for as long as the underlying trajectory continues unfolding, is that the conversation itself needs to shift — away from treating each individual policy expansion as sufficient progress in its own right, and toward an honest reckoning with the cumulative scale of change the underlying arithmetic actually demands. That reckoning will not happen in a single budget cycle, or in response to a single encouraging data point of the kind that opened this essay. It happens, if it happens at all, through exactly the kind of sustained, unglamorous attention this newspaper has tried to model today: revisiting the numbers not only when they produce a hopeful headline, but especially when they do not, and insisting, however unfashionable the insistence becomes across a news cycle that rewards novelty over persistence, that Japan's demographic countdown remains running regardless of how many quarters pass before the country's policy ambition finally catches up to its arithmetic.

We will close, then, not with a prediction but with a standard by which readers might hold this newspaper, and Japan's policymakers, accountable in the years ahead. The test of whether this summer's uptick in births marked anything more than statistical noise will not be visible in next quarter's figures, or even next year's. It will be visible only across a horizon of five, ten, fifteen years — long enough to distinguish a genuine shift in Japan's family-formation patterns from the ordinary statistical noise that has produced comparable brief upticks before, without consequence, at several points across the preceding two decades. This newspaper commits to tracking that horizon rather than merely the headline of the moment, and we would ask our readers, and the policymakers among them, to hold themselves to the same discipline. Japan's demographic countdown has no fixed deadline forcing anyone's hand. That absence of an imposed deadline is precisely what has allowed the question to be deferred, gently and repeatedly, for three decades running. It is also, this newspaper would argue, the strongest possible reason to stop waiting for one before finally treating the arithmetic with the seriousness it has demanded all along.



OUR STAFF — THE PEOPLE BEHIND THE JAPAN MORNING POST

*Founded in service of accurate, fair and complete coverage of Japan and its place in the world.*

OWNER:

Paul Carter | PUBLISHER: WPM Productions

MANAGING EDITOR:

Dixon Yan

SENIOR EDITOR, INTERNATIONAL DESK:

Jonathan Mercer

POLITICS & POLICY:

Michael Hayes, Deputy Editor | William, Senior Political Analyst

JAPAN BUREAU:

Aiko Tanaka, Senior Japan Correspondent | Emi Kondo, Society & Local News

ECONOMICS & FINANCE:

Yuki Saito | DATA & VISUALIZATION: Kenta Sakamoto

JAPAN-U.S. COVERAGE:

Rachel Kim, Washington-Tokyo Liaison

INVESTIGATIONS & LONGFORM:

Daisuke Ito

TECHNOLOGY & SCIENCE:

Ethan Cole, Editor | Maya Suzuki, Science & Innovation

CULTURE & SOCIETY:

Naomi Kato, Editor

SPORTS:

Oliver Brooks, Desk Editor | Haruto Yamamoto, Reporter

FOOD & RESTAURANTS:

Grace Park | REAL ESTATE & URBAN DEVELOPMENT: Kenji Fukuda

EDITORIAL PAGE:

Samantha Ortiz, Editor

PHOTO EDITOR:

Hiroshi Nakamura, Tokyo | GRAPHICS DIRECTOR: Claire Reynolds

STAFF CARTOONIST:

Taro Suzuki | CROSSWORD: James O'Neill, Editor & Constructor

COPY DESK:

Benjamin Lee, Chief | Olivia Martinez, Features

MULTIMEDIA & VIDEO:

Akira Watanabe | RESEARCH & ARCHIVE: Hana Ito

PAGE DESIGN & PRODUCTION:

Daniel Foster

ADVERTISING & PARTNERSHIPS:

Linda Carter (U.S.) | Takeshi Mori (Japan)

AUDIENCE ENGAGEMENT:

Sophia Grant | READER RELATIONS & SUBSCRIPTIONS: Mika Tan

1-2-3 Otemachi, Chiyoda-ku, Tokyo 100-0004 | [www.japanmorningpost.com](http://www.japanmorningpost.com) | [newsdesk@japanmorningpost.com](mailto:newsdesk@japanmorningpost.com)

EDITORIAL STANDARDS & PRACTICE

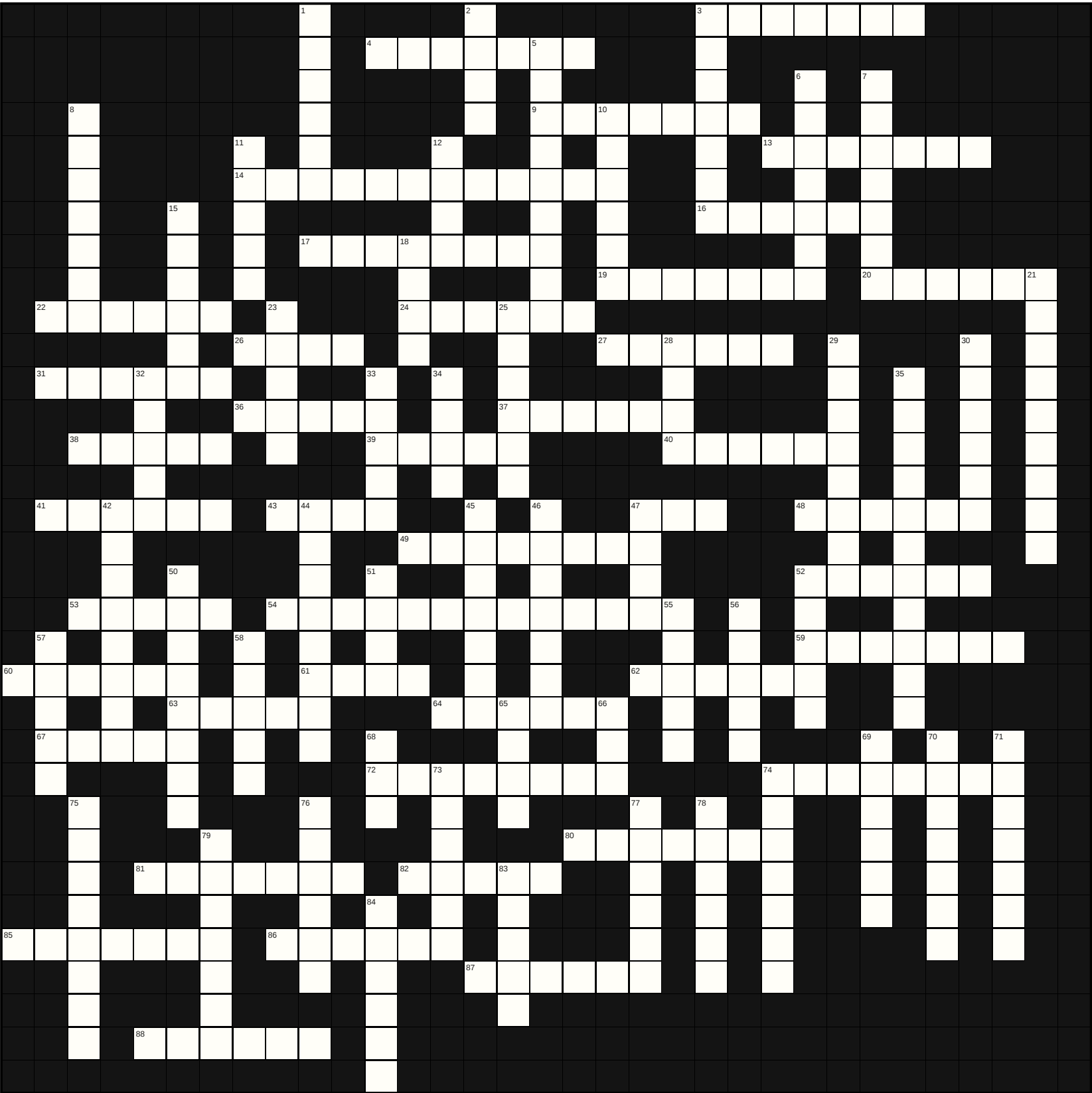
The Japan Morning Post is edited and produced independently of WPM Productions' ownership. News reporting and editorial opinion are kept separate: articles appearing under the Editorial & Opinion banner reflect the newspaper's institutional view or that of a named columnist; all other reporting is written to be free of the writer's personal opinion.

Sourcing: this newspaper attributes information to named officials, published data and identified organizations wherever possible, and uses "people familiar with the matter" only when a source has requested anonymity for a specific, stated reason. We do not use anonymous sourcing for editorial convenience.

Corrections are published promptly and prominently once an error is confirmed, in the Classifieds & Notices section. Readers may direct correction requests to the Copy Desk at the address below.

CROSSWORD PUZZLE

Today's Professional Puzzle — Constructed by James O'Neill — 92 Words



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

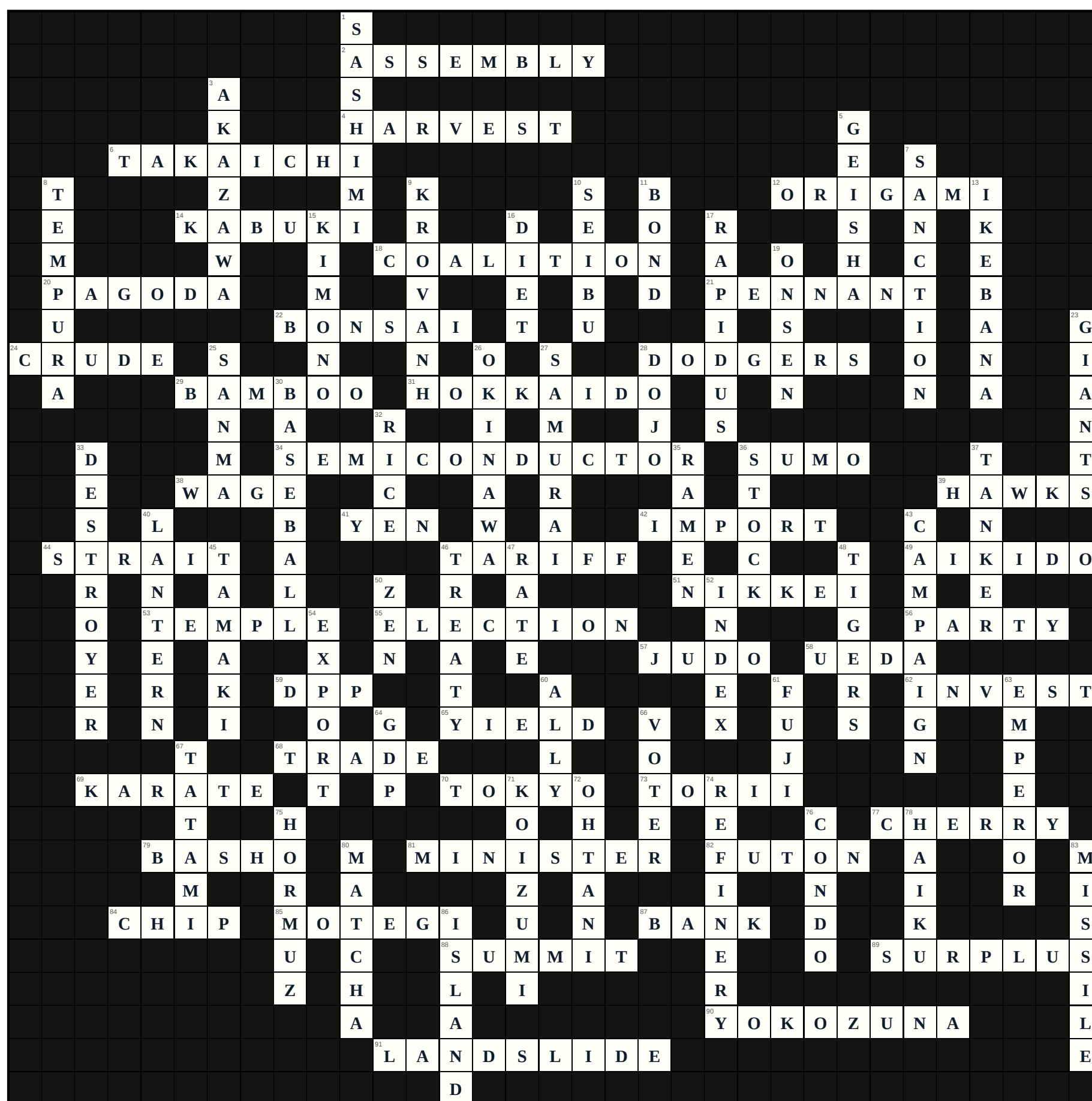
ACROSS

3. Aircraft \_\_\_\_, a naval vessel type (7)  
4. Feudal Japanese warrior (7)  
9. Ocean bordering Japan's east coast (7)  
13. US Treasury Secretary who backed joint action (7)  
14. Government action to defend the yen, in short (12)  
16. Woven straw floor mat (6)  
17. Organized effort to win office (8)  
19. Trade minister meeting Lutnick and Greer (7)  
20. Landform surrounded by water, like Japan itself (6)  
22. High-level meeting of leaders (6)  
24. Canadian export facing new American duties (6)  
26. Japan's highest peak (4)  
27. Classical Japanese drama form (6)  
31. Where stocks are traded (6)  
36. One who casts a ballot (5)  
37. Historic military ruler of Japan (6)  
38. Japanese hot spring (5)  
39. North American trade pact the cartoon references (5)  
40. Traditional Japanese robe (6)  
41. Canadian capital where Carney announced tariffs (6)  
43. What rose for a seventh straight month in July (4)  
47. Opposition party Tamaki now leads (3)  
48. Chain disrupted by tariffs, in short (6)  
49. Island hosting Rapidus's fab (8)  
52. Tiered ceremonial tower (6)  
53. Canadian sector hit hardest by US tariffs (5)  
54. Chip industry's core material, in short (13)  
59. Chip venture nearing a 3 trillion yen pledge (7)  
60. Powdered green tea (6)  
61. Government debt instrument (4)  
62. Goods brought from abroad, cheaper with the yen's rise (6)  
63. Metal doubly tariffed in the Canada dispute (5)  
64. Canada's prime minister amid the tariff dispute (6)  
67. Seventeen-syllable poem (5)  
72. Democratic vote, as in Okinawa (8)  
74. Finance minister whose ministry sold reserves (8)  
80. Art of paper folding (7)  
81. Battered, deep-fried dish (7)  
82. Gate marking a Shinto shrine (5)  
85. Foreign currency stockpile a government draws on (7)  
86. Narrow passage like Hormuz (6)  
87. Buddhist place of worship (6)  
88. Line the cartoon calls the 49th parallel (6)

DOWN

1. Voting slip (6)  
2. Gentle-way martial art (4)  
3. Body of ministers Takaichi will soon reshuffle (7)  
5. Household device hit by counter-tariffs (9)  
6. Art of flower arranging (7)  
7. Sliced raw fish dish (7)  
8. Japanese term for short-term lodging (7)  
10. Nation matching US tariffs dollar for dollar (6)  
11. Return on a bond, near a 3-decade high (5)  
12. BOJ governor weighing a September hike (4)  
15. Sacred Shinto site (6)  
18. Paper-industry input targeted in the trade war (4)  
21. Vessel type North Korea just commissioned (9)  
23. Traditional floor bedding (5)  
25. Miniature potted tree (6)  
28. Institution like the BOJ (4)  
29. Sumo's highest rank (8)  
30. Formal agreement between nations (6)  
32. Okinawa's gubernatorial challenger, Genta \_\_\_\_ (5)  
33. Unrefined petroleum (5)  
34. Ancient Japanese wrestling (4)  
35. Theme of today's editorial cartoon (11)  
42. Japan's prime minister, Sanae \_\_\_\_ (8)  
44. The U.N. General \_\_\_\_, opening this month (8)  
45. Prefecture voting for governor Sunday (7)  
46. Mobile carrier facing a roaming test (7)  
47. Martial arts training hall (4)  
50. US government bond Japan sold to fund its defense (8)  
51. Symbol of Persian strength in Gulf coverage (4)  
52. Political organization like the DPP (5)  
55. Noodle soup dish (5)  
56. Share of company ownership (5)  
57. Grand sumo tournament, opening this Sunday (5)  
58. New tower opening beside Tokyo Station (5)  
65. What the BOJ may raise this month (4)  
66. Currency now at its strongest since February (3)  
68. Meditative Buddhist school (3)  
69. Fast-growing woody grass (6)  
70. Central League's leading ballclub (7)  
71. Autumn rice \_\_\_\_, proceeding on schedule (7)  
73. Goods sent abroad, squeezed by a stronger yen (6)  
74. Defense minister retaining his post (7)  
75. Cabinet-level official (8)  
76. Striking martial art (6)  
77. Castle advancing as Japan's UNESCO candidate (6)  
78. Okinawa's incumbent governor seeking reelection (6)  
79. Japan's ceremonial head of state (7)  
83. Benchmark like the Nikkei 225 (5)  
84. Import tax central to the Canada-US dispute (6)

*Yesterday's Puzzle, Solved — Tuesday, September 8, 2026 — 94 Words*



WEATHER & ENVIRONMENT

29°C

Tokyo — Sunny and humid, a full return to late-summer conditions

TODAY'S CONDITIONS ACROSS JAPAN

7-DAY FORECAST — TOKYO

|       |        |        |        |        |        |        |
|-------|--------|--------|--------|--------|--------|--------|
|       |        |        |        |        |        |        |
| 29°   | 29°    | 28°    | 28°    | 27°    | 27°    | 27°    |
| 24°   | 25°    | 24°    | 24°    | 24°    | 23°    | 23°    |
| Wed 9 | Thu 10 | Fri 11 | Sat 12 | Sun 13 | Mon 14 | Tue 15 |

TODAY'S HIGH TEMPERATURES (°C)

Wednesday, September 9, Japan Meteorological Agency

|          |      |
|----------|------|
| Naha     | 31°C |
| Kumamoto | 30°C |
| Fukuoka  | 30°C |
| Osaka    | 29°C |
| Tokyo    | 29°C |
| Sapporo  | 25°C |

■ Warmest regions nationally today

TOKYO METROPOLITAN AREA — Wednesday, September 9, 2026

Morning: Mostly sunny and warm, 24°C, as the settled pattern that arrived Tuesday continues across the Kanto region. Light winds from the southwest at 10 km/h. Sunrise 5:17 a.m.

Afternoon: Sunny and humid, high near 29°C, a full return to late-summer conditions following last week's rain emergency. UV levels running high given the clear skies; sun protection recommended for extended time outdoors.

Evening: Clear and mild, cooling to 26°C by 9 p.m. Sunset 5:59 p.m. Comfortable conditions for evening commutes and outdoor dining.

Overnight: Clear, lows near 24°C. Humid. A second consecutive dry, settled night across central Japan.

WHERE THE WEEK'S WEATHER STANDS

The clearing this newspaper forecast Tuesday has held across most of the country, with both Tropical Storm Krovanh's remnants and the stalled autumn rain front that produced last week's flooding and landslide warnings now well clear of the Japanese archipelago. The Meteorological Agency lifted its last active landslide advisories for southern Kyushu and Hokuriku on Monday evening, though officials continue to caution that soil in the most affected areas remains more saturated than normal for early September, and residents in those regions should continue monitoring conditions through any further rain this month rather than assuming full stabilization.

UV INDEX & AIR QUALITY

UV Index: 8 (Very High), the first reading at this level in more than a week as skies have fully cleared. Air Quality Index: Good. Pollen: Negligible, though the early autumn ragweed period typically begins later this month.

SEVEN-DAY EXTENDED FORECAST FOR TOKYO

Thursday, Sept. 10: High 29°C, low 25°C. Sunny and humid, continuing the warm, settled pattern.

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.

Wednesday, Sept. 16: High 26°C, low 22°C. Partly cloudy, with the first hints of the seasonal transition toward autumn expected by the following week.

REGIONAL FORECASTS

Sapporo: Sunny, high near 25°C, with Hokkaido continuing to enjoy the clearest, most settled conditions in the country.

Sendai: Sunny, high near 26°C, fully clear of last week's rain-front influence.

Niigata: Sunny, high near 27°C, with rice-harvest activity across the prefecture proceeding at a normal pace following the brief weather-related delay last week.

Nagoya: Sunny and warm, high near 29°C, with the Tokai region's cleanup from last week's heaviest rainfall totals largely complete according to local officials.

Osaka-Kobe: Sunny, high near 29°C, fully clear following the Kinki region's own heavy rain last week.

Hiroshima: Sunny, high near 28°C.

Fukuoka: Mostly sunny, high near 30°C, though southern Kyushu's Meteorological Agency advisories for elevated landslide risk given saturated soil remain in a monitoring, rather than active-warning, status.

Kumamoto: Sunny, high near 30°C. Earthquake-recovery officials say reconstruction work has returned to full pace following the brief rain-related pause, with the region's cancelled Yatsushiro festival remaining the most visible ongoing sign of the season's compounded disruption.

Kagoshima: Sunny, high near 30°C, with southern Kyushu's landslide risk continuing to ease as soil gradually dries.

Naha (Okinawa): Sunny and humid, high near 31°C, with Typhoon Krovanh's remnants now well east of the prefecture. Ferry services to Okinawa's outer islands have returned to full normal schedules, and both gubernatorial campaigns report no further weather-related disruption expected through Sunday's vote.

EXTENDED OUTLOOK (September 10-16)

The settled, warm pattern now in place across most of the country is expected to persist through the coming week, continuing through both the Aki Basho's Sept. 13 opening and Okinawa's gubernatorial election the same day, before the first tentative signs of an autumn transition arrive around Sept. 16 in the form of modestly cooler overnight lows. Forecasters continue to monitor the western Pacific for further tropical development given this year's above-average typhoon season, though no system currently poses a near-term threat to Japan.

ALMANAC

Today's sunrise: 5:17 a.m. Today's sunset: 5:59 p.m. Day length: 12 hours, 42 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 7:41 a.m. and 8:12 p.m.; low tide 1:48 p.m. Barometric pressure: 1015 hPa and steady, consistent with the settled 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](mailto:inquiries@tanaka-tax.jp)

OTEMACHI TRANSLATION BUREAU: Certified legal and financial document translation, Japanese-English-Mandarin. Same-week turnaround available. [orders@otemachitranslation.jp](mailto: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](mailto:info@meridianrelo.jp)

KANDA ACCOUNTING GROUP: Bookkeeping, payroll and statutory filing for small and mid-sized foreign subsidiaries. First consultation complimentary. [contact@kandaaccounting.jp](mailto: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](mailto:info@marunouchilaw.jp)

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

PUBLIC NOTICES

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

TRANSPORT ADVISORY: Ferry services to Okinawa's outer islands have returned to normal schedules following Typhoon Krovanh's departure from the region.

CORRECTIONS & CLARIFICATIONS: The Japan Morning Post is committed to accuracy and welcomes reader corrections. Please direct inquiries to the Copy Desk at [corrections@japanmorningpost.com](mailto:corrections@japanmorningpost.com).

TENDERS & PROCUREMENT NOTICES

CHIYODA WARD OFFICE: Requests tenders for winter road-maintenance services across designated municipal routes. Submission deadline Oct. 3.

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

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.

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

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 Currency & Risk Advisory: Otemachi Currency Risk Advisory

SUBSCRIPTION INFORMATION

The Japan Morning Post is published daily. Home delivery, digital access and back-issue requests may be arranged through Reader Relations at [subscriptions@japanmorningpost.com](mailto:subscriptions@japanmorningpost.com) or by telephone through the Otemachi office.