



The Weekly Observer

April 22-26

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

LDP Suffers Triple Defeat in Lower House By-Elections

On Sunday, the LDP suffered three by-election defeats in Shimane, Tokyo, and Nagasaki in what could spell the end of Kishida's tenure as prime minister.

The by-elections were held for seats vacated by indicted lawmakers and the deceased Speaker of the House with troubling ties to political scandals like the Unification Church and the political fundraising scandal.

The LDP lost by default in two of three elections as it could not find viable candidates. It lost for the first time in conservative stronghold Shimane since single-member districts were introduced in 1994.

This will likely embolden the opposition to demand an early election, as well as detractors within the ruling coalition who want to fight the upcoming general election under a new leader, someone who will likely have a better shot at winning over voters.

Yen Depreciates to Record Low as BOJ Maintains Policy

On Friday, the yen depreciated to a thirty-four year low of ¥156 to the dollar after the Bank of Japan (BOJ) defied expectations and maintained monetary policy at its meeting.

Investors sold the yen as many were surprised that the BOJ made no policy tweaks like cutting back on JGB purchases as the yen continued to depreciate.

BOJ Governor Ueda Kazuo explained that the Bank felt no need to change monetary policy until it had further evidence of sustained inflation and wage hikes.

The BOJ indicated in its economic and price outlook that the consumer price index (CPI) excluding volatile fresh food items in FY 2026 is projected at 1.9 percent, while it raised the outlook for FY 2024 and FY 2025 from 2.4 to 2.8 and 1.8 to 1.9 percent, respectively.

The Ministry of Finance is prepared to respond if necessary.

Cabinet Approval



22% (+5 pts.)

74% (-3 pts.)

[Mainichi Shimbun](#) (April 22)

State of the Economy

Nominal GDP in 2025:

India set to overtake Japan as 4th in the world a year earlier than expected due to weak yen

Monthly Economic Report (April): "Economy is recovering at a moderate pace" (3rd straight month)

Economic Situation Report (April): "Economy is recovering at a moderate pace" (3rd straight quarter)

Downgraded assessment in 3 of 11 regions — Kanto, Hokuriku, and Tokai due to inflation-induced consumption cuts and decreased manufacturing activity due to auto-related quality control issues