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## Challenges await as Japan mobilizes for 8 February election

### Key takeaways

- Prime Minister Takaichi Sanae made plans for an election official, announcing that she will dissolve the House of Representatives on 23 January for an 8 February election.
- As a sign of how Japanese politics has changed, victory for Takaichi and the Liberal Democratic Party (LDP) could depend on a large increase in turnout, particularly among younger voters, whose support for Takaichi is exceptionally high.
- The impact of the election could be limited insofar as significant challenges await the government after the election, including managing market expectations of higher inflation and navigating a rapidly changing world order.

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“We are stepping forward to build a new nation,” Prime Minister Takaichi Sanae said in a press conference on 19 January in which she announced that **she will dissolve the House of Representatives when the Diet opens on 23 January, with the general election being held on Sunday, 8 February.**

In laying out the logic of her decision, Takaichi argued that since circumstances have changed since the last general election in October 2024, it is necessary for her to seek a new mandate, particularly given her new approach to fiscal policy – “responsible fiscal expansion” – and pending security policy reforms. More than any particular policy, however, she is taking a page from the late Abe Shinzō’s playbook and asking the public to vote for a decisive leader who can build a strong, prosperous nation. “As Prime Minister, I, Sanae Takaichi, will tackle various reforms and advance major policy shifts,” she said. “Will you join me in moving forward on this path, or will you stand still under unstable politics? I entrust that choice to you, the sovereign people.”

That said, **the general election will have immediate and profound implications for fiscal policy.** Even before the press conference Monday, it appeared that Takaichi was preparing to campaign on reducing consumption taxes on food – echoing a proposal that the Constitutional Democratic Party (CDP) and Kōmeitō have offered – and in general she is signaling that an electoral victory would clear the way towards fiscal expansionism. **“We will end this trend of excessive austerity and insufficient investment,” she said.** Indeed, Hagiuda Kōichi, Takaichi ally and Liberal Democratic Party (LDP) deputy secretary-general, said on 18 January that **if the FY2026 budget is delayed by the election, it could give the prime minister an opportunity to modify the budget to give it more of a “Takaichi color.”** In other words, the government could use the delay in passing the budget to start incorporating Takaichi’s emphasis on “strategic investment” – using fiscal resources for industrial policy that promotes business activity in priority technology sectors and promotes real wage gains in the face of ongoing inflation.

### **The shape of the campaign**

Unusually for Japanese politics, **Takaichi’s ability to win the general election will depend on boosting turnout rather than hoping for it to be relatively subdued.** Under the LDP-Kōmeitō coalition, the LDP benefited from low turnout; high turnout would mean that more independents, generally less inclined towards the ruling parties, were voting, subsuming the “organized votes” of the LDP and Kōmeitō machines. It is worth recalling that Abe repeatedly won large majorities in low-turnout elections. However, Takaichi’s future could depend on her ability to turn out low-propensity voters, the generally younger and more independent portions of the public with whom she polls exceptionally well even if these voters are not necessarily supporting the LDP itself.

If Takaichi’s popularity can drive higher turnout – i.e. if the electorate looks more like the 2025 House of Councillors election’s electorate (58.51% turnout) than the 2024 House of Representatives election’s electorate (53.84% turnout) – **the prime minister could more than offset the LDP’s loss of votes due to the end of its coalition with Kōmeitō.** In effect, she is fighting a two-front war, battling with the Centrist Reform [Alliance](#) (CRA) of the Constitutional Democratic Party (CDP) and Kōmeitō for the support of older voters and with the Democratic Party for the People (DPFP) and Sanseitō for younger voters. (Both of these opposition parties performed well in the 2025 upper house elections on the back of a 6.5 percentage-point increase in turnout driven by younger voters turning out for these parties.) **If Takaichi and the LDP can limit the defections of older voters and win over the bulk of younger voters, the LDP may be able to win a large enough victory to give it an absolute majority in the lower house.**

Otherwise, **if turnout remains more like 2024 and earlier general elections, the LDP could face defeats in marginal races due to the swing of Kōmeitō voters from LDP to CDP candidates.** To be sure, it is unclear whether Kōmeitō’s rank-and-file supporters will be enthusiastic to turn out to vote for ex-CDP candidates; it was not long ago that the party’s leaders were calling for the CDP to be smashed, as former Kōmeitō leader

Yamaguchi Natsuo sang in a video that resurfaced after the CRA was launched. Nevertheless, with Kōmeitō's support totaling anywhere from 9,000 to 25,000 voters in single-member constituencies, the LDP's loss of Kōmeitō support could prove decisive in marginal races if the electorate is not significantly larger than the 2024 general election. **Given that Takaichi's support appears to be relatively weaker among older Japanese, with a smaller, older electorate it would be a more closely contested election.**

**This dual contest will strongly influence the shape of the campaign.** Takaichi will simultaneously signal her intentions to exercise bold leadership – motivating younger voters – while still emphasizing balance and responsibility in a nod towards more risk-averse older voters. **Takaichi also will undoubtedly lean heavily on her ability to manage an increasingly dangerous global environment and the relative unfitness of the opposition to rally the support of all voters.** Meanwhile, **the CRA will emphasize reason and moderation** and highlight the risks of the prime minister's course of action, particularly on fiscal policy. **The DPFP and Sanseitō will have to battle with Takaichi less on policy grounds – since she has embraced some of their signature policies regarding Japan's foreign population and middle-class tax reductions – than on politics and leadership.** DPFP leader Tamaki Yūichirō, for example, has slammed Takaichi's opportunistic dissolution as typical of the old-style politics that his party wants to move beyond. Sanseitō, meanwhile, has said it will focus its efforts on running against LDP candidates it has deemed “globalist,” effectively hoping to drive a wedge between Takaichi and her own party's candidates that could make the party a decisive factor in close races.

### **Beyond 8 February**

It is already clear that even in the best-case scenario for Takaichi – i.e. the LDP wins enough seats to command an absolute majority of its own in the lower house – **she will still face three significant challenges immediately after the general election.**

First, **Takaichi still needs to find a way to control the upper house, with the LDP and Ishin no Kai five seats short of a majority.** Essentially, she needs to win a decisive mandate that either convinces the DPFP to work constructively with the government or perhaps entice some upper house lawmakers to switch to the LDP.

Second, while both Takaichi and the CRA are gesturing towards fiscal responsibility, neither the LDP nor the CRA is preparing to take significant steps to curb spending. It is perhaps not surprising that yields on long-term Japanese government bonds climbed to 2.23% on Monday, a twenty-seven-year high. Therefore, **whoever leads the government is virtually certain to be locked into a struggle with markets,** as investors push yields up and the yen down in anticipation of inflationary policy from the government. The stage could also be set for friction with the Bank of Japan (BOJ) over the pace of interest rate hikes this year.

Third, and perhaps most importantly, while Takaichi is arguing that political stability is necessary to manage foreign policy in a rapidly changing world order, **she still faces an extraordinarily challenging international environment regardless of her electoral performance.** The Trump administration's actions in Venezuela and its saber-rattling over Greenland point to a United States that is both more focused on the Western Hemisphere and less committed to the international norms that Tokyo still upholds. A breakdown in trans-Atlantic relations – which would effectively break the G7 – would have implications for Japan's place in the world. Takaichi (or a successor) will also have to find a way to manage the bilateral relationship with the United States in light of President Donald Trump's evident interest in a major deal with Beijing when he visits in April. As suggested above, international uncertainty could work in Takaichi's favor, much as it did for Abe during the later years of his second administration. But a new mandate may not make managing international challenges any easier for the prime minister.

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