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Will DPFP heed LDP's calls to help stabilize politics?

Key takeaways

- With the likelihood of a snap election diminishing, Prime Minister Takaichi Sanae and senior Liberal Democratic Party (LDP) leaders are hoping to bring the Democratic Party for the People (DPFP) into a coalition.
- While the DPFP has pledged its support for the budget after the government agreed to include its tax reform proposals in the 2026 tax plan, the party may have little to gain from formalizing a partnership now.

JAPAN FORESIGHT has published a political risk outlook for Japan, Japan Risks 2026. The report is available [here](#).

The most immediate question facing Prime Minister Takaichi Sanae as she returns to work is how to bolster her government's political stability. As outlined previously, she still faces a choice between calling a snap election in a bid to strengthen the Liberal Democratic Party's (LDP) position in the Diet, continuing with the partnership with Ishin no Kai, or bringing the Democratic Party for the People (DPFP) into an expanded coalition that would give the government majorities in both houses of the Diet.

For now, it appears that the prime minister is not thinking about a snap election despite her still-robust approval ratings. She has, of course, publicly denied that she intends to call a snap election, saying for example in her New Year's press conference on 5 January that she is focused on urgent policy matters. Perhaps more consequentially, the 23 January date for opening the ordinary session of the Diet suggests it is unlikely that she will call a snap election before the Diet passes her government's FY2026 budget. If she were to dissolve the Diet on 23 January, she would arguably have only one option for an election date – 8 February – since pushing the election later could complicate the budget's passage before the start of the fiscal year on 1 April. Beyond the concerns of LDP backbenchers that Takaichi's coattails may not be lengthy given

uncertainty after the end of the LDP-Kōmeitō – and polls showing that the public sees no need for a snap election now – she may be inclined to wait until the summer at the earliest, which would enable her to pass a budget, deliver on some of her government’s priorities, draft a growth strategy, and visit the United States for the first time as prime minister, likely in the spring. (Ishin no Kai too may prefer that the prime minister waits, since the party as yet has little to show for its partnership with the LDP.)

Instead, senior LDP officials appear to be heavily focused on adding the DPFP to the ruling coalition. As the year has begun, LDP leaders have been open about their desire to bring in the DPFP. In a press conference Tuesday, LDP Secretary-General Suzuki Shunichi expressed his wish for a three-party arrangement that would restore political stability to Japan. On Wednesday, Hagiuda Kōichi, Suzuki’s deputy and one of Takaichi’s closest political allies, said in an interview that it would be better for Takaichi to prioritize bringing the DPFP into coalition and use the enhanced coalition to rack up some policy achievements, upon which basis she could call a snap election in 2027 and easily secure reelection as LDP president. Ishin no Kai co-leader Fujita Fumitake also gave a qualified endorsement on 7 January, saying that it would be beneficial to include the DPFP, provided the party is focused on helping to implement policies.

Fujita’s remarks hinted that expanding the coalition may be more complicated than the LDP thinks. As Suzuki acknowledged, it would also require careful negotiations with Ishin no Kai, which could have the most to lose if DPFP were to join, since its influence would be diluted and it would be competing with the DPFP over whose policies should be prioritized when it comes to allocating the government’s time, attention, and political capital. Meanwhile, the DPFP itself has been conspicuously quiet even as the ruling parties have called for its cooperation.

At the moment, the DPFP has the best possible arrangement. In exchange for a de facto confidence-and-supply agreement with the Takaichi government – at least for the first half of the ordinary session – the DPFP convinced Takaichi to include its tax reform proposals in the FY2026 tax plan, a much-needed policy win for the DPFP after the setback following party leader Tamaki Yūichirō’s failed bid for the premiership. This arrangement – neither formal nor open-ended – may suit the DPFP, which can extract concessions to help the government manage the upper house. It avoids the constraints of a formal partnership that forced Ishin no Kai to accept that its proposal to reduce the number of legislative seats would go nowhere and maximizes the DPFP’s freedom of action. It also enables the DPFP to avoid having to abandon its demands for political finance reform or manage the tensions of a formal partnership without electoral coordination, both of which have complicated the LDP-Ishin partnership. Finally, it enables the DPFP to avoid a split with organized labor federation RENGO, its principal backer. Yoshino Tomoko, the federation’s president, renewed her opposition to the DPFP’s joining a coalition this week, suggesting that formalizing cooperation with the Takaichi government would not be painless for Tamaki.

The upshot is that despite the ruling parties’ interest in bringing the DPFP on board, it appears unlikely to happen before the Diet passes the 2026 budget. Realistically, the

DPFP may prefer to wait until a snap election, which it can contest on the basis of having extracted concessions from the Takaichi government, and then consider its options after the election. The Takaichi government's need for votes in the upper house means that the DPFP's leverage will remain considerable, regardless of the outcome of a general election. In the meantime, the LDP and Ishin no Kai will enter the ordinary session still in partnership – not entirely satisfied – and facing potential friction over the lingering questions of electoral reform and, more importantly for Ishin no Kai, passing legislation to enable Osaka to function as an auxiliary capital.

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