

30 June 2026

The limits of power

Key takeaways

- Prime Minister Takaichi Sanae faces several unpalatable choices as she looks to move major legislation through the Diet by 17 July, as opposition parties have blocked Diet agenda setting.
- Takaichi's problems ultimately stem from her unwillingness to accept constraints – including her government's lack of a majority in the upper house – as she pursues a divisive agenda.
- There is little reason to expect that the prime minister will scale back her ambitions in the face of political and economic constraints, suggesting that her government will continue to be characterized by friction in its policymaking.

Early in the legislative session, Prime Minister Takaichi Sanae learned an important lesson that the lower house supermajority she won for the Liberal Democratic Party (LDP) in the February general election did not ensure parliamentary dominance in light of the ruling coalition's lack of a majority in the upper house. The prime minister's efforts to rush the FY2026 budget through the Diet in precedent-breaking time foundered in the face of opposition in the upper house, forcing the government to scramble to pass a provisional budget when the budget failed to pass before the start of the new year.

Now, with the legislative session heading into its final weeks before its scheduled closing date of 17 July, the prime minister may once again be forced to grapple with the limits of her power. Her government is determined to pass several major pieces of legislation – including a revision to the Imperial Household law to shore up the imperial line, a bill criminalizing flag desecration, an electoral reform bill, and a bill making provisions for an auxiliary capital, the latter two being important to *Ishin no Kai*, the LDP's junior partner – even as opposition parties have refused to even talk with the LDP about the legislative calendar in the upper house. The opposition in the upper house,

led by the Constitutional Democratic Party (CDP), is ostensibly withholding its cooperation pending agreement from the LDP for additional opportunities for the opposition to question Takaichi about her staff's involvement in the creation and dissemination of defamatory videos about Takaichi's rivals. The opposition parties are also uniformly opposed to the joint LDP-Ishin electoral reform plan that would eliminate 45 proportional representation seats – disproportionately affecting the opposition – in the event that no consensus can be reached on an alternative electoral reform scheme. But increasingly the opposition is focused not only on the scandal but on Takaichi's broader conduct of legislative affairs, pointing to her disregard of legislative norms and avoidance of parliamentary scrutiny. The government and LDP's conduct of a debate over the revision to the Imperial Household law has also enflamed the opposition. The government organized a multi-party conference in order to draft a broad consensus on the succession issue, but, once deliberations gave way to drafting, the LDP went beyond the terms of the debate to draft a bill that prioritizes ensuring a sufficient number of male heirs to the throne and foreclosing any discussion of female succession, which the public broadly supports. (Nakasone Hirofumi, an LDP upper house lawmaker, explicitly said that the party wanted to prevent a woman from inheriting the throne.) The LDP's handling of the imperial succession issue has even led to friction with Ishin no Kai, which objects less to the principles of the government bill than some of the details.

The upshot is that as the calendar turns to July, the prime minister faces an opposition that is withholding its consent to parliamentary proceedings, which could stall upper house deliberations; a restive junior coalition partner anxious about the fate of its legislative priorities; and an LDP within which the stirrings of dissent are increasingly visible. On the latter, in just the past week former prime minister Kishida Fumio, a leader of the LDP's "anti-mainstream," publicly warned Takaichi about spending political capital on divisive political priorities instead of measures to improve public welfare and former foreign minister Iwaya Takeshi abstained from the vote in the lower house on the flag desecration bill. This set of factors leaves Takaichi facing several unpalatable choices in the coming weeks. If she concedes to opposition demands for more debate and questioning about her staff's conduct, she could breathe new life into the scandal. If she does not, she may have little choice but to extend the legislative session substantially, buying more time to either negotiate with one of the opposition parties to break the stalemate or ensure enough time for sixty days to pass, after which legislation, considered rejected by the upper house, can be passed again by the lower house. But a longer Diet session is not desired by the LDP – not least because many in the LDP are unenthusiastic about Ishin no Kai's legislative priorities, particularly the auxiliary capital bill – and extending the session could ironically give the opposition more opportunities to question Takaichi directly. The third option, shelving bills to continue debate in subsequent sessions and allowing the session to end as scheduled on 17 July, would come with its own costs, raising questions about her leadership within the LDP and Ishin no Kai.

This situation would be challenging enough in isolation, but there are several additional factors that could turn this legislative conundrum into a more serious challenge to Takaichi's leadership. At the same time that Takaichi is trying to manage her legislative

agenda, she is also facing falling – though still relatively robust – approval ratings; her physical condition, according to credible reports, is worsening; and her economic program is facing pressure from within the political system (opposition lawmakers and some LDP lawmakers have pushed back against her preferred consumption tax cut plan, most notably in the form of fiscal hawk Obuchi Yūko’s resignation from the LDP tax commission) and from markets, which have pushed up long-term yields and driven down the yen in response to the initial [indications](#) about Takaichi’s fiscal plans and reports that the forthcoming Basic Policy on Economic and Fiscal Management and Reform (the *honebuto*) could include language on monetary policy aimed at curbing subsequent rate hikes. This may not amount to an existential crisis for Takaichi yet, but Takaichi’s mismanagement of the Diet and inability to convince the Democratic Party for the People (DPFP) to join the ruling coalition to ensure control of the upper house, the increasingly vocal dissent from within the LDP on all fronts, and the market reactions to the government’s risky fiscal program all point to greater friction for the prime minister. Takaichi may be able to buy herself some breathing room through steps like a cabinet reshuffle – expected after the legislative session – but these measures will not change the fundamental cause of Takaichi’s problems, namely her reluctance to scale back her ambitions in the face of political and economic constraints.

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