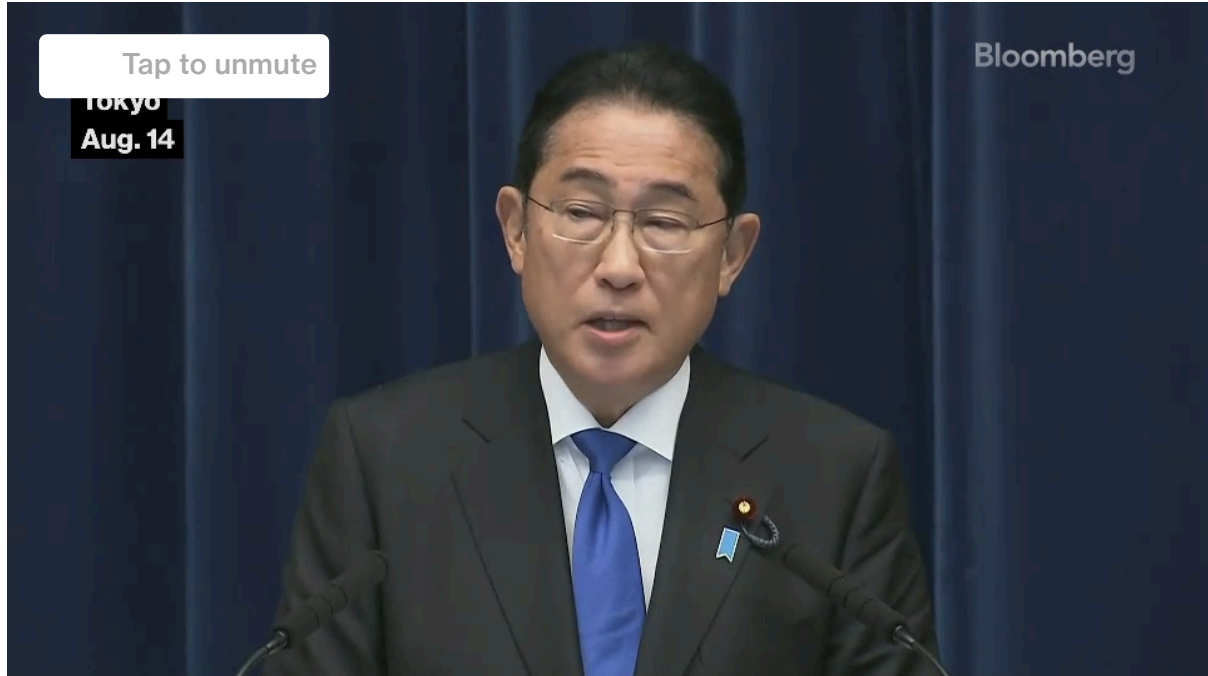


Politics

## Japan Prime Minister Kishida to Step Down as Support Declines

- Kishida announces decision at a news conference in Tokyo
- Winner of LDP race all but assured of becoming next PM



WATCH: Japanese Prime Minister Fumio Kishida says he won't run for a second term as leader of the ruling Liberal Democratic Party. *Source: Bloomberg*

By [Isabel Reynolds](#) and [Yoshiaki Nohara](#)

August 14, 2024 at 3:35 AM GMT+2

Updated on August 14, 2024 at 10:31 AM GMT+2

Japanese Prime Minister Fumio Kishida won't run for a second term as leader of the long-ruling Liberal Democratic Party in September, opening the way for a race to succeed him as premier.

“I will devote myself to supporting the new leader selected through the presidential election as a foot soldier,” Kishida said at a nationally broadcast news conference on Wednesday.



Fumio Kishida at a news conference on Aug. 14. *Photographer: Philip Fong/AFP/Bloomberg*

Given the LDP's dominance in parliament, the winner of its leadership race, expected for late September, is virtually assured of becoming the next prime minister. Kishida's successor will be Japan's third prime minister since Shinzo Abe, the country's longest-serving leader, stepped down in September 2020.

The yen strengthened on the news, rising about 0.3% against the dollar at 12:08 p.m. in Tokyo, while Japanese share indexes were mixed, with the Nikkei down 0.2% and the Topix gaining 0.5%. Japanese government bond futures were little changed.

Read more: [Kishida Disciplines Japan Lawmakers Caught in Fund Scandal](#)

Support for Kishida has been languishing under 30% – seen as the danger zone for Japanese premiers – for months amid voter dissatisfaction with his handling of a scandal over party factions that were found to have concealed income generated at fundraising events. Inflation and a yen slump added to his woes.

Kishida's government and the central bank have sought to show a united front and restore calm to financial markets, after the biggest stocks plunge in more than three decades this month triggered criticism of

monetary policy tightening and cast a shadow over efforts to get households to invest their assets.

Kishida's predecessor, Yoshihide Suga, criticized Kishida in a June 23 media interview and said it would be key for the LDP to bring a "sense of change" at the next leadership election.

"The first and most obvious step to show that the LDP will change is for me to step aside," Kishida said Wednesday.

While no general election needs to be held until 2025, some surveys have shown the main opposition Constitutional Democratic Party gaining on Kishida's LDP in terms of current voting intentions. The CDP will hold its own leadership race in September.

Read more on Japan's politics:

---

[LDP Heavyweight Calls for Clearer Signaling of BOJ Normalization](#)

[BOJ's Policy Path Fraught With Risks After Global Market Turmoil](#)

[Japan Officials Strive to Restore Calm After Market Whipsaws](#)

[Japan's Kono Says Central Bank Needs to Raise Rates to Lift Yen](#)

---

The next premier may still call an election to firm up the new government's mandate. But the LDP and its junior coalition partner Komeito are expected to easily keep control given their powerful position in national politics.

It is unclear who will replace Kishida as premier, although former Defense Minister Shigeru Ishiba was the most popular choice in local media surveys. Other names that often come up in polls include Digital Transformation Minister Kono Taro, Foreign Minister Yoko Kamikawa and Shinjiro Koizumi, the son of a former premier.

"The market implication is that Japanese politics is going to be foggy," said Shoki Omori, chief desk strategist at Mizuho Securities. "Market participants are going to dislike the uncertain situation, especially those investing in risk assets, such as equities."

– *With assistance from Mia Glass, Erica Yokoyama, and Ken McCallum*

*(Updates with background on scandals in fifth paragraph.)*

---

©2024 Bloomberg L.P. All Rights Reserved.

---