

JAPAN AT AN ECONOMIC TURNING POINT

THE TAKAICHI STRATEGY



今 JAPAN JUST CREATED A GLOBAL SURPRISE

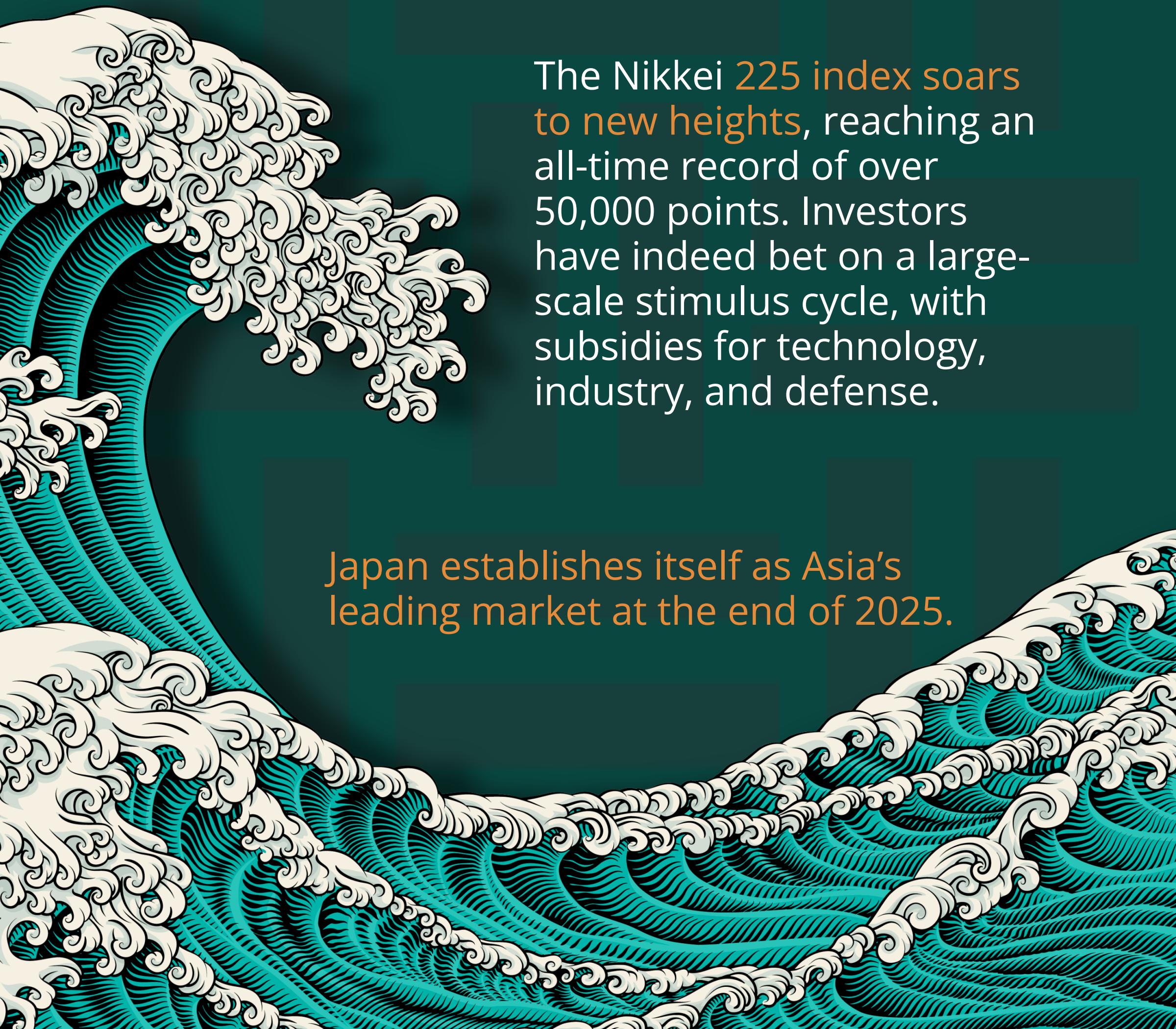
Sanae Takaichi becomes the country's first female Prime Minister on October 21, 2025, and announces a massive stimulus plan to boost the economy.

Markets react **immediately**: Japan returns to the spotlight for investors.



今

MARKETS SOAR



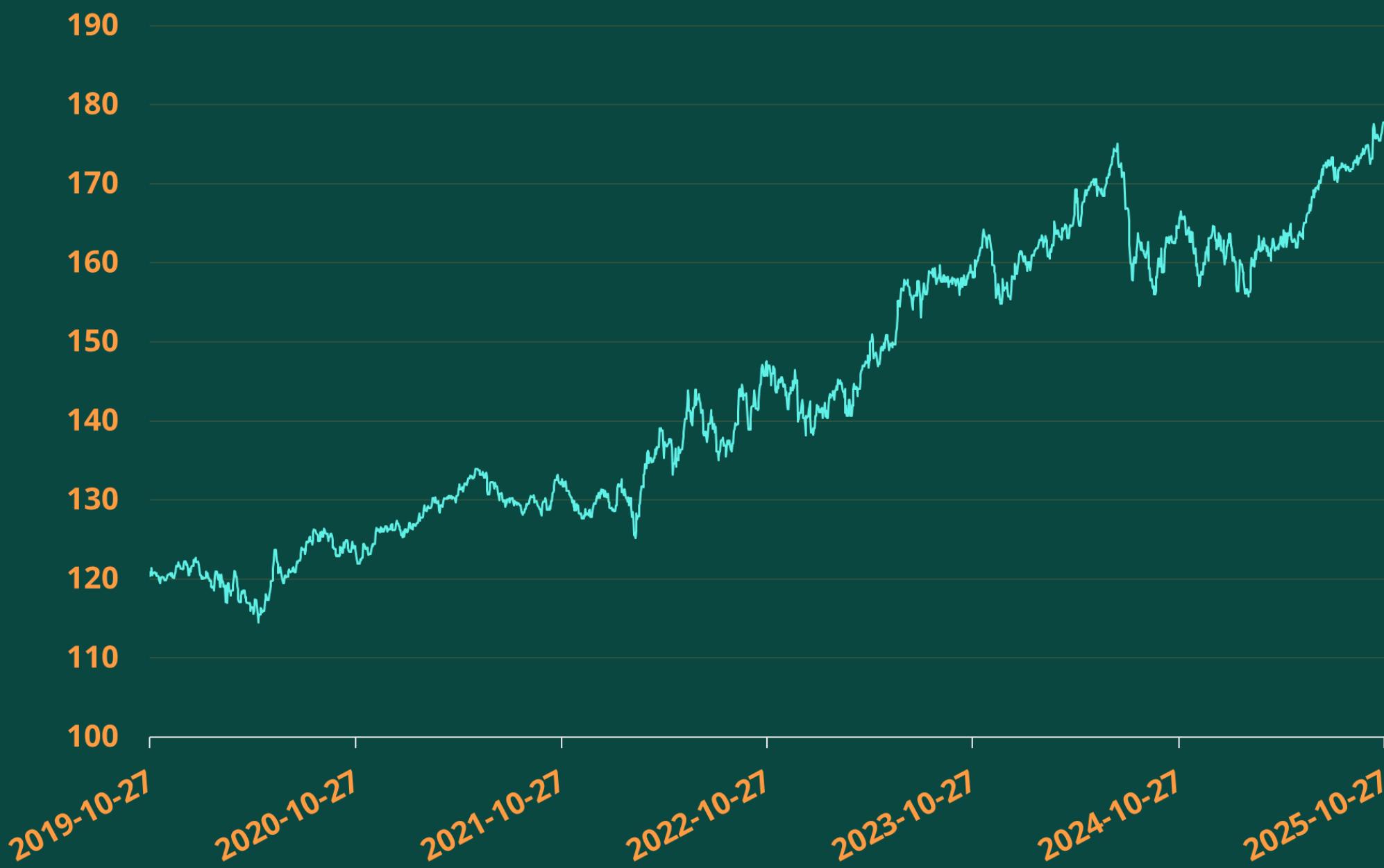
The Nikkei 225 index soars to new heights, reaching an all-time record of over 50,000 points. Investors have indeed bet on a large-scale stimulus cycle, with subsidies for technology, industry, and defense.

Japan establishes itself as Asia's leading market at the end of 2025.

今

EUR/JPY: A HISTORIC SURGE

EUR/JPY: HISTORICAL CHART



今

Between January and October 2025, the **yen** depreciated by **9.1%** against the euro, with the EUR/JPY pair recently hitting **an all-time high of over 177.**

Three key drivers:

- Divergence in monetary policies (ECB vs. BoJ)
- Repositioning of investor flows
- Expectations of fiscal stimulus

A more structural than **volatile move**, confirming the decisive role of interest rate differentials.



今

MARKET EUPHORIA

TENSION IN THE REAL ECONOMY

This dynamic benefits major exporters and industrial groups.

However, domestically, households face rising prices for housing, energy, and food.

Inflation, still **above the BoJ's target**, is weakening purchasing power and fueling debate.



今

BOND MARKETS SEND A SIGNAL

Japanese long-term interest rates rise to concerning levels:

- 30-year: **3.09%**
- 40-year: **3.40%**

Investors are demanding higher returns to finance public debt already exceeding **240%** of GDP.

Japan's fiscal credibility is back in the spotlight.



THE TAKAICHI PLAN

Spend Big: The new Prime Minister outlines her agenda.

An ambitious program to revitalize rural areas, modernize infrastructure, and support strategic sectors such as defense and technology.

日本
JA
PA
N

Is it enough to counter aging and stagnant wages?



今

DEBT: A RISK ACCEPTED?

Sanae Takaichi advocates a clear approach:
“Growth before fiscal discipline.”

Yet each new debt issuance further increases
pressure on the markets.

Japan is banking on stimulus to break free from
stagnation, at the risk of undermining investor
confidence.



AN INTERNATIONAL REPOSITIONING

今

Sanae Takaichi takes a firmer stance on the international stage.

Strengthening the **alliance with the United States**, increasing cooperation with South Korea and Australia, and taking a **tougher stance toward China**.

This posture could heighten **regional tensions** and influence the **volatility of Asian currencies**.





A LOCAL STORY

GLOBAL EFFECTS

For European companies, caution remains essential. A more volatile yen, Japanese interest rates weighing on global markets, and a stimulus whose effects are already spreading across Asia.

Japan's story is not an isolated case.

It illustrates the fragility of the balance between debt, growth, and monetary confidence. Reading these signals and understanding their transmission has become, more than ever, a matter of informed decision-making.





Let's discuss it if you want to address issues related to currency hedging or interest rates tied to the Japanese yen.

Sébastien Rouzaire : s.rouzaire@kerius-finance.com

Solal Huard : s.huard@kerius-finance.com

Marion Dondin : m.dondin@kerius-finance.com

Kerius Finance SAS

17 rue Dupin, 75006 Paris, France

Tel: +33 1 83 62 27 61

RC Paris: 520 300 948

Kerius Finance Suisse SARL

Chemin de Blandonnet 2,

1214 Vernier - Genève, Suisse

Tel : + 41 22 566 40 52

Immatriculé au Registre Unique des Intermédiaires en Assurance, Banque et Finance (ORIAS) sous le n°13000716 au titre des activités de Conseiller en Investissements Financiers, enregistré auprès de l'Association Nationale des Conseils Financiers-CIF, association agréée par l'Autorité des Marchés Financiers .

RC Genève IDE CHE-460.735.969
Numéro fédéral: CH-660-2330011-1

www.kerius-finance.com