

+-----+  
-----+  
Judo Fighter Noda Must Avoid Losing as Japan's New Leader (2)  
2011-09-02 02:26:21.312 GMT

(Adds Cabinet appointments in fifth paragraph.)

By Sachiko Sakamaki and Takashi Hirokawa

Sept. 2 (Bloomberg) -- Incoming Japanese Prime Minister Yoshihiko Noda faced political oblivion 15 years ago. His comeback required the kind of perseverance he will need to last longer than the five men since 2006 who preceded him.

In 1996, Noda was defeated in his re-election bid for parliament, losing by 105 votes. For almost four years he was unemployed, occasionally without enough money to buy shoes for his sons, he recalled in a speech this week.

He kept his profile afloat through a bare-bones campaign office and his practice of going to local train stations every weekday morning to talk with constituents. The result is a leader who buys dinner for volunteers and gets \$13 haircuts.

"He was really disappointed," said his younger brother Takehiko Noda, an assemblyman in the city of Funabashi, east of Tokyo. "I remember him regretting his inadequacies. But he was determined to turn the experience into a plus, and this failure gave him a broader perspective."

Noda, 54, named his cabinet today after winning the ruling Democratic Party of Japan leadership race on Aug. 29 to succeed Naoto Kan. He takes the reins of a country beset by economic contraction, burdened by the world's largest debt and reeling from the March earthquake and nuclear disaster.

He also becomes the standard-bearer of a party that since overturning half a century of one-party rule in 2009 has failed to deliver on pledges to address the challenges of an aging and shrinking population. Noda said on Aug. 28 that the DPJ, with approval ratings around 20 percent, had let voters down and was "standing on a cliff."

#### Cabinet Appointments

Noda today named Jun Azumi, formerly the DPJ's Diet affairs chief, to succeed him as finance minister. Koichiro Gemba, who served as Kan's national strategy minister, was appointed foreign minister. Yoshio Hachiro becomes the new minister of trade and industry, which regulates nuclear power, while Osamu Fujimura was tapped to become the chief cabinet secretary.

To reverse the party's fortunes while seeking a consensus to raise taxes to pay for disaster rebuilding, Noda can draw on a pioneering post-university education that included Zen study, and years of training in judo, in which he holds a second-degree black belt.

"We practiced two or three hours a day," said Masamine Jimba, who was captain of Noda's judo club at Funabashi High School and is now a professor at the University of Tokyo's Graduate School of Medicine. "No matter how many times he was thrown, he'd get back up. He wasn't particularly strong, but he had real guts. I hope he can exercise his

style of consensus leadership, given all the crises at home and abroad."

#### Farmers' Grandson

Like Kan, Noda is a first-generation politician, in contrast with the five previous premiers, who were all descended from lawmakers. The grandson of farmers, Noda said on Aug. 29 that his parents were too poor to afford a wedding reception.

The family rarely ate meat, said Takehiko Noda, 50.

After graduating from Tokyo's Waseda University in 1980, Noda originally intended to become a journalist. He changed his mind after his father saw an advertisement for the then-fledgling Matsushita Institute of Government and Management, established by Konosuke Matsushita, founder of the company now known as Panasonic Corp. Noda applied "half-jokingly" to the program, his brother said.

During the four-year course designed to train a new generation of leaders, students study economics, politics and foreign policy. They also plant rice, work in factories, train with Japan's military and practice Zen meditation. Tuition is free and the students are given monthly stipends.

#### First Matsushita Premier

Noda was accepted into the inaugural class and will become the first Matsushita graduate to become prime minister. Former foreign minister Seiji Maehara, one of the candidates Noda defeated to win the DPJ race, is also a Matsushita alumnus.

While at the institute, Noda enjoyed going to small pubs in the manufacturing district nearby, said Kunihiro Okada, who was Noda's classmate and is now a visiting professor at Waseda's public management school.

"These were small, humble places with counters, no tables, some serving questionable kinds of alcohol," Okada said. "When we discussed the purpose of politics, I remember Noda saying it was for mothers who carry their babies on their backs."

After graduating from Matsushita, Noda in 1987 won the first of two assembly terms in Chiba prefecture, where Funabashi is located. He won his first parliament race in 1993 as a member of a now-defunct party before losing his re-election bid to a candidate from the Liberal Democratic Party. The LDP governed Japan for all but 10 months between 1955 and 2009.

#### Treating Volunteers

After surviving on family savings and some support from constituents, he returned to parliament in 2000 as a member of the DPJ, and has won three more terms since then. He's been known to take volunteers to a local Denny's restaurant for breakfast or buy them take-out from McDonald's, said Naoki Oka, 27, who went to the same high school and university as Noda and worked on his campaigns.

The new premier also gets his hair cut at a chain that charges 1,000 yen (\$13) and eats noodles and beef at inexpensive restaurants. He likes "meaty" dishes, said Masafumi Hamamoto, who runs a restaurant across the street from Noda's campaign office.

When the DPJ took power under Yukio Hatoyama in September 2009, Noda was appointed vice finance minister. He became the youngest

finance chief in more than 20 years after Kan succeeded Hatoyama as premier in June 2010.

In that position, he oversaw the ministry's three interventions in the currency market to address the yen's appreciation, which threatens such exporters as Honda Motor Corp. and Toyota Motor Corp.

#### Yen's Climb

The yen has climbed 5.5 percent this year against the dollar, reaching a post-World War II record of 75.95 per dollar on Aug. 19. The yen traded at 76.90 at 11:17 a.m. in Tokyo. The benchmark Nikkei 225 Stock Average has risen 2.4 percent since Noda's election, cutting its year-to-date loss to 11.4 percent.

The selection came less than a week after Moody's Investors Service cut Japan's credit rating one step to Aa3, citing political instability and "weak" economic growth prospects that will make it difficult for the government to contain its debt burden. Reports this week showed rising unemployment and falling retail sales, serving as reminders to the challenges Noda faces amid a divided parliament.

Noda during an Aug. 28 debate with the other DPJ candidates called for honoring Kan's proposal to raise taxes to pay for rebuilding and support the country's social welfare system. He said earlier last month that the government shouldn't abandon a plan to double the consumption tax to 10 percent by the end of the decade.

#### 'Quickly Tested'

"There may not be much difference" under Noda, said Jiro Yamaguchi, a political science professor at Hokkaido University in Sapporo. "His ability to handle key policies in this critical situation will be quickly tested."

Noda has little experience in foreign policy, where his views threaten to revive a debate that has angered South Korea. He suggested last month that the guilty verdicts of Japan's World War II leaders by an international tribunal may not mean they were war criminals under Japanese law.

The statement prompted South Korea's foreign ministry to call the comments "inappropriate," while China's state-run Xinhua news agency called for "a proper policy in treating Japan's war past to soothe the resentment among the Chinese public toward Japan."

#### Territorial Disputes

Japan has territorial disputes with both South Korea and China. Relations between Japan and China soured last year over the collision of a Chinese fishing boat with two Japanese Coast Guard vessels near islands claimed by both.

Noda will meet with President Barack Obama later this month during the United Nations General Assembly in New York, Japan's Foreign Ministry said today in a statement. The U.S. is Japan's biggest ally, and almost 40,000 American military personnel are stationed in bases around the country.

In the aftermath of the earthquake and tsunami that crippled the Fukushima nuclear plant, Kan quarreled with Japan's bureaucracy and failed to reach common cause with the opposition.

The new premier, who has Matsushita ties to some LDP politicians, may also benefit from a better relationship with the country's civil servants, said independent political commentator Hirotada Asakawa.

"Noda has a wider network than his two predecessors," Asakawa said. "His government will be more stable and can work more smoothly with opposition parties."

#### Humble Beginnings

Noda this week emphasized his humble beginnings and his overcoming of adversity in appealing to DPJ colleagues to vote for him. He compared his personality to that of a loach fish, a freshwater bottom feeder, and said he will "work and sweat to push down-to-earth politics."

With Japan facing its worst crisis since World War II and the DPJ mired in the same revolving-door cabinets that led voters to oust the LDP, Noda aims to provide the kind of stable political leadership lacking since Junichiro Koizumi stepped down in 2006 after more than five years in office.

"In judo, you learn respect, etiquette, national pride, and how to lower your center of gravity," Waseda's Okada said. "You mustn't try to win. Instead, you must try to avoid losing. I think he is a judo-style type of politician."

For Related News and Information:

Asia government news: [TNI ASIA GOV <GO>](#)

Japanese politics: [TNI JAPAN POL <GO>](#)

Stories on Japanese growth: [STNI JAPANGDP <GO>](#) Snapshot of Japan economy: [ECFC JPY <GO>](#) Ten-year government bond yields: [GJGBBNCH <Index>](#) [GP <GO>](#) Nikkei 225 Stock Average: [NKY <Index>](#) [GP M <GO>](#)

--With assistance from Yuki Yamaguchi and Toru Fujioka in Tokyo.  
Editors: John Brinsley, Anne Swardson

To contact the reporters on this story:

Sachiko Sakamaki in Tokyo at +81-3-3201-7298 or [ssakamakil@bloomberg.net](mailto:ssakamakil@bloomberg.net); Takashi Hirokawa in Tokyo at +81-3-3201-8641 or [thirokawa@bloomberg.net](mailto:thirokawa@bloomberg.net)

To contact the editor responsible for this story:

Peter Hirschberg at +852-2977-6934 or [phirschberg@bloomberg.net](mailto:phirschberg@bloomberg.net)