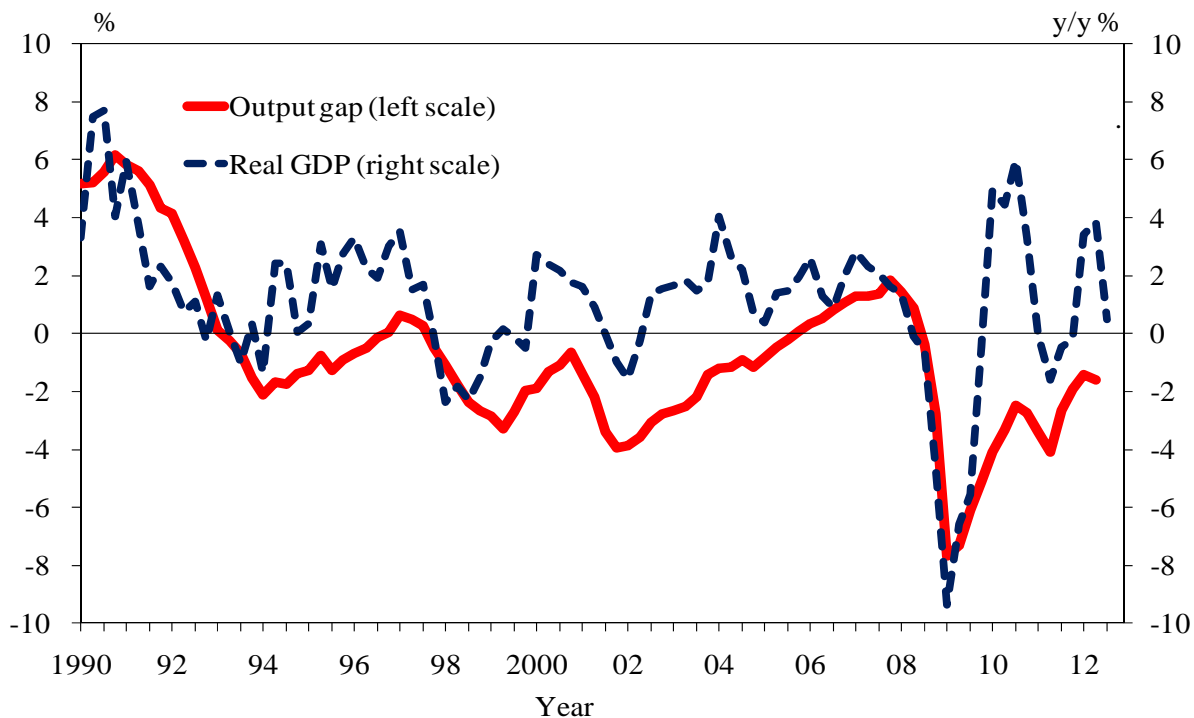


Chart 1

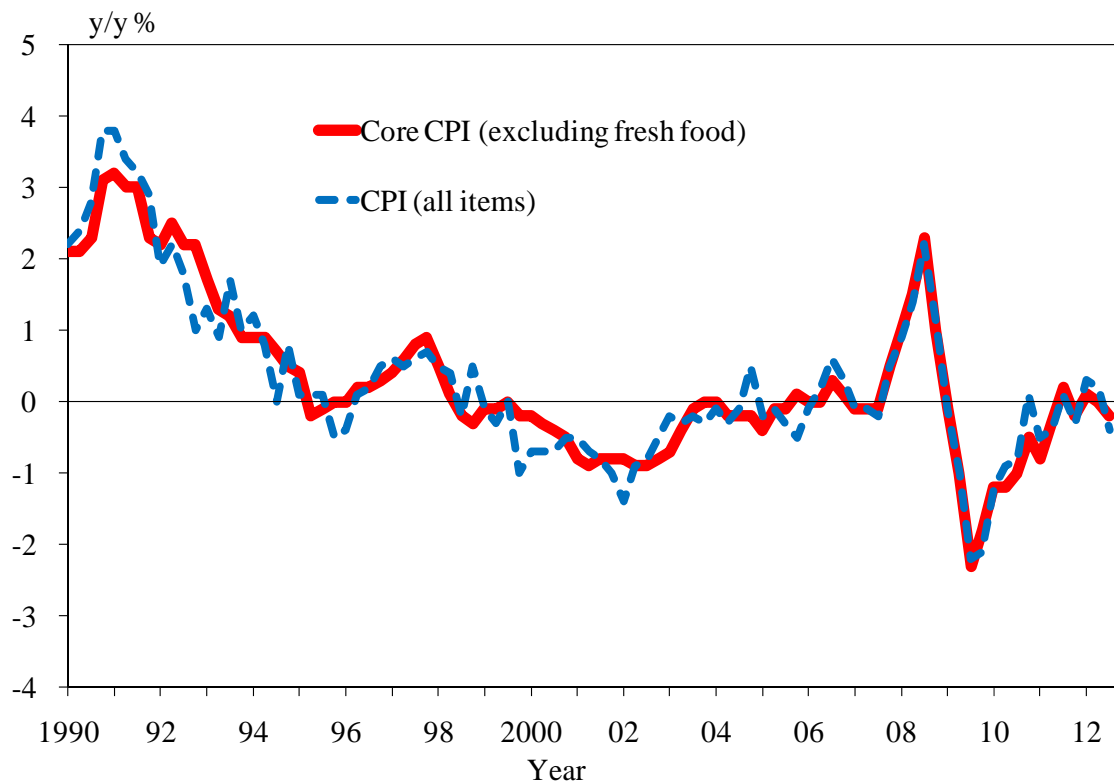
### Real GDP Growth Rate and Output Gap



Sources: Cabinet Office; Bank of Japan.

Chart 2

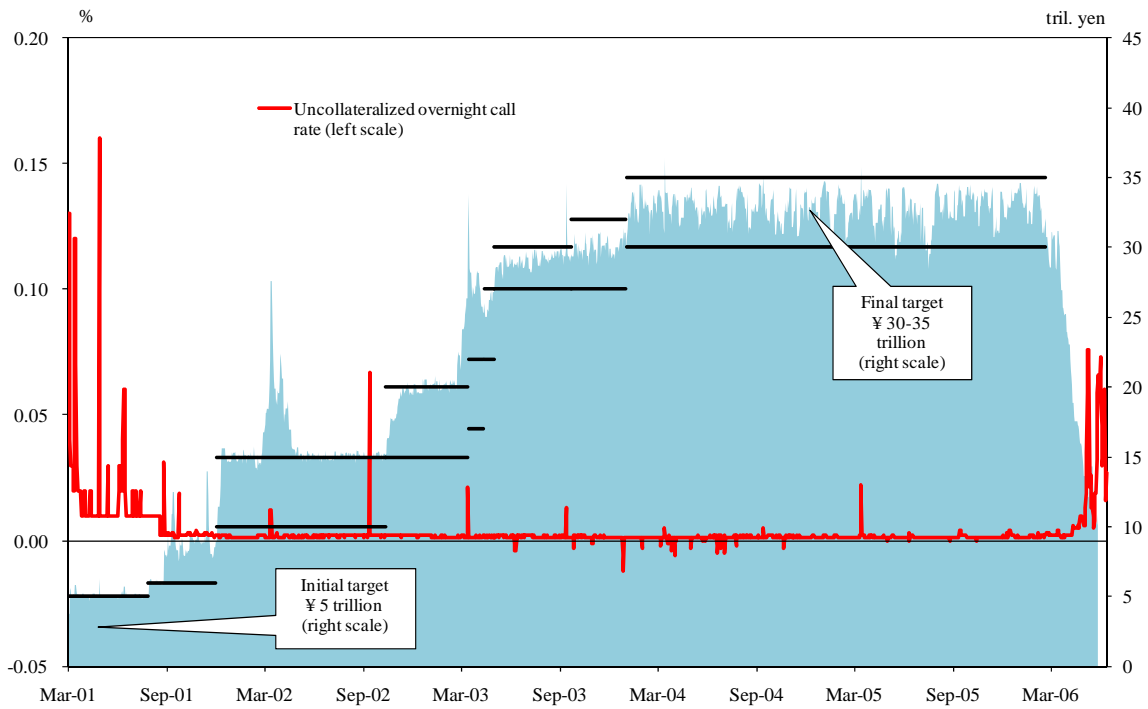
### Price Developments



Source: Ministry of Internal Affairs and Communications.

Chart 3

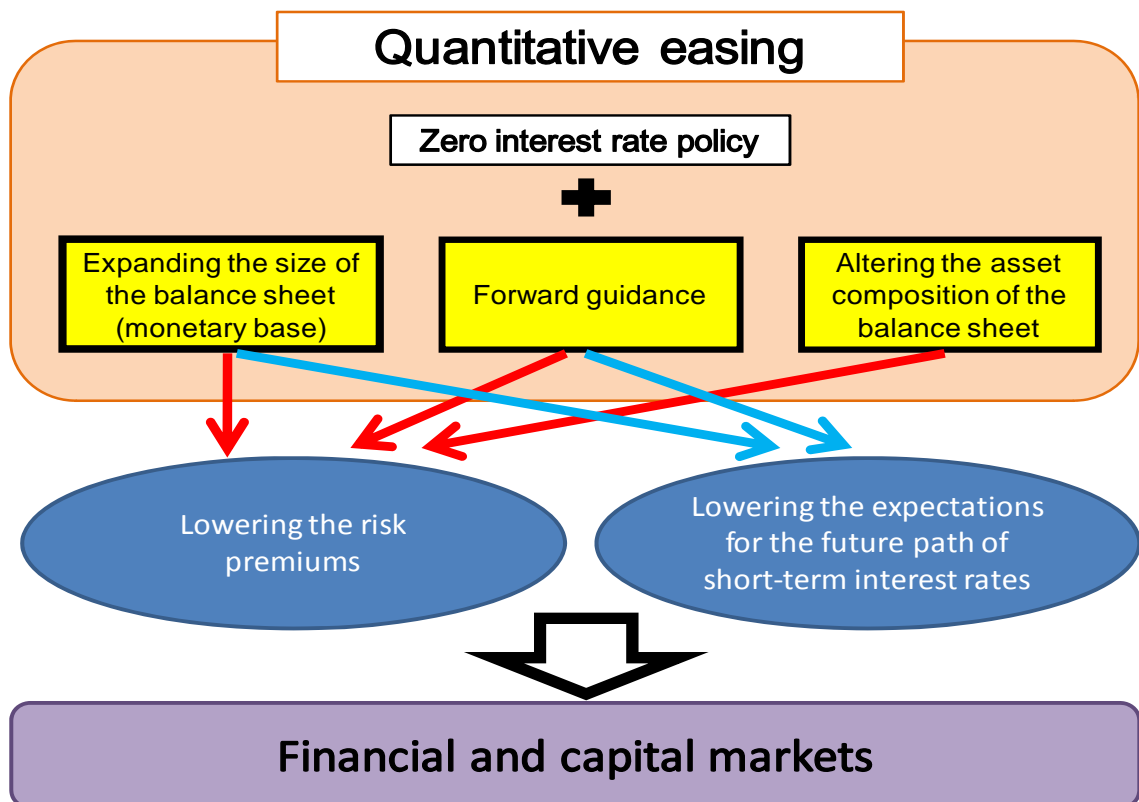
Current Account Balance at the Bank of Japan and Overnight Call Rate



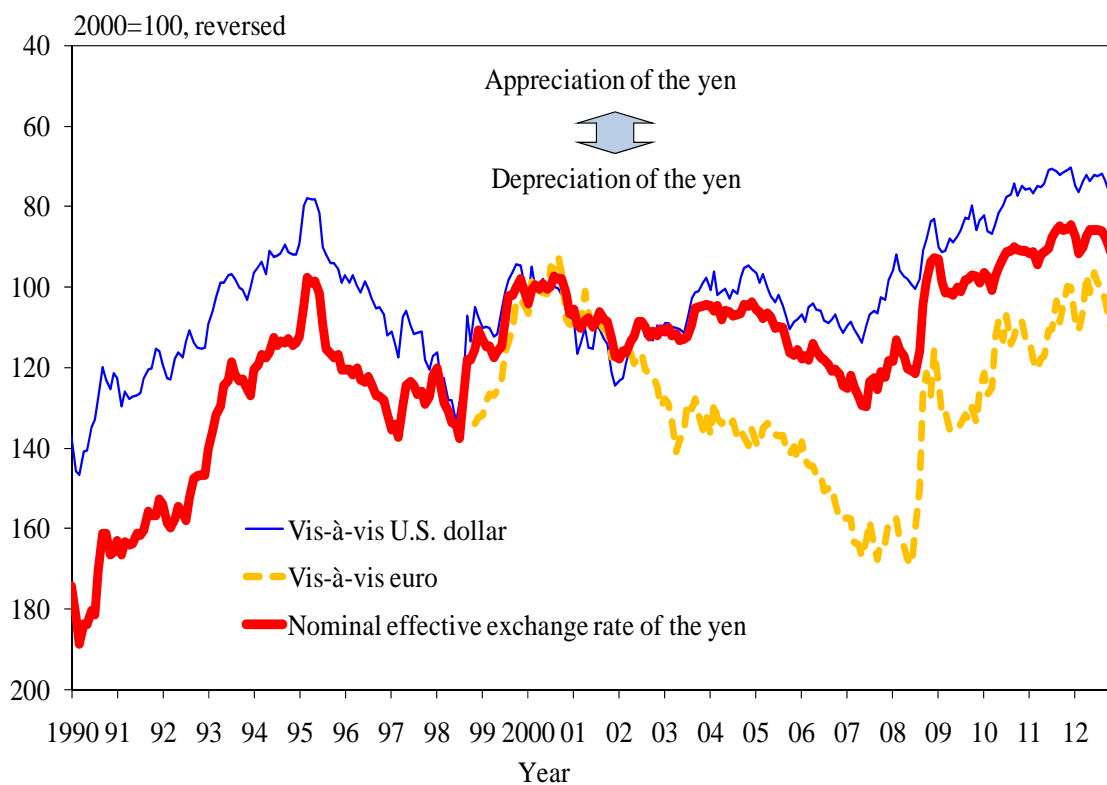
Source: Bank of Japan.

Chart 4

Impacts of the Quantitative Easing (QE) Policy



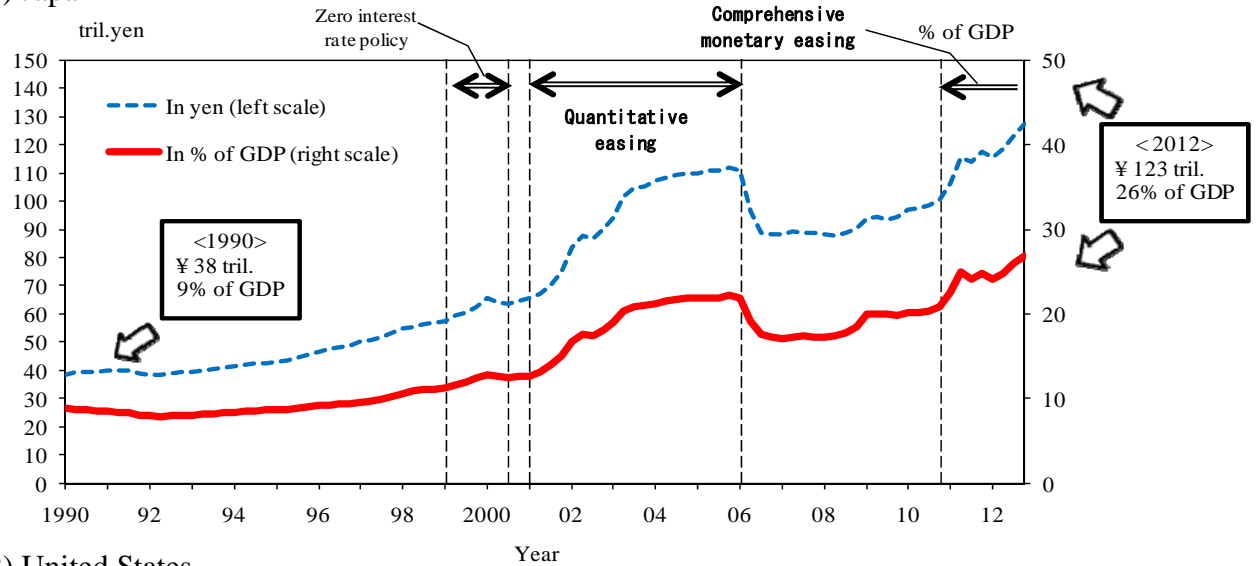
### Japanese Yen Exchange Rates



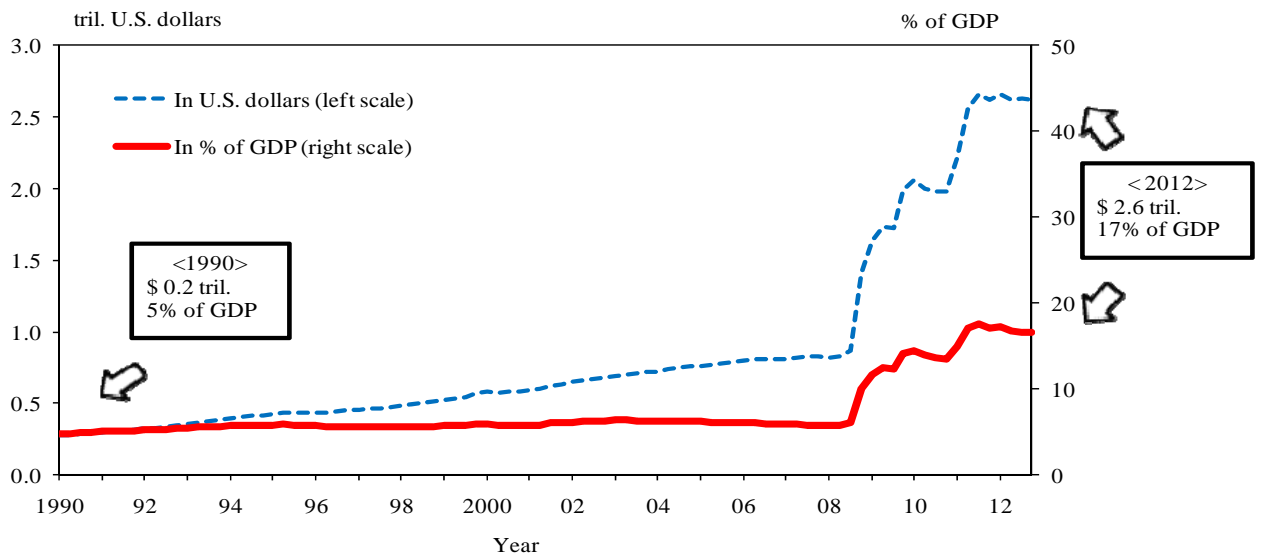
Source: Bloomberg.

## Monetary Base in Major Economies

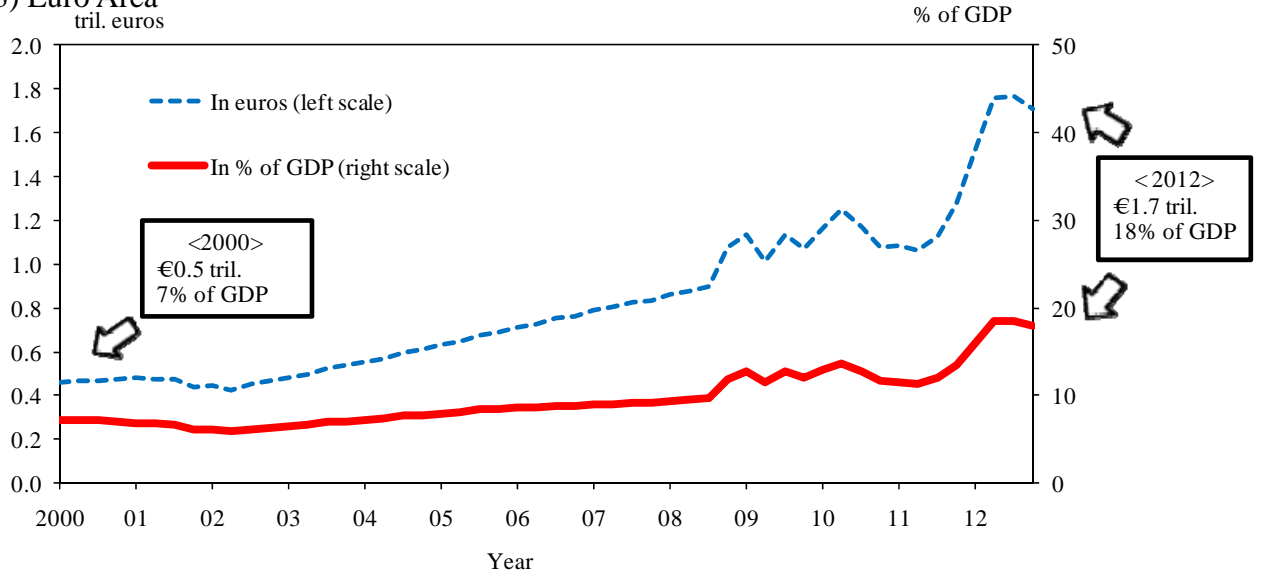
### (1) Japan



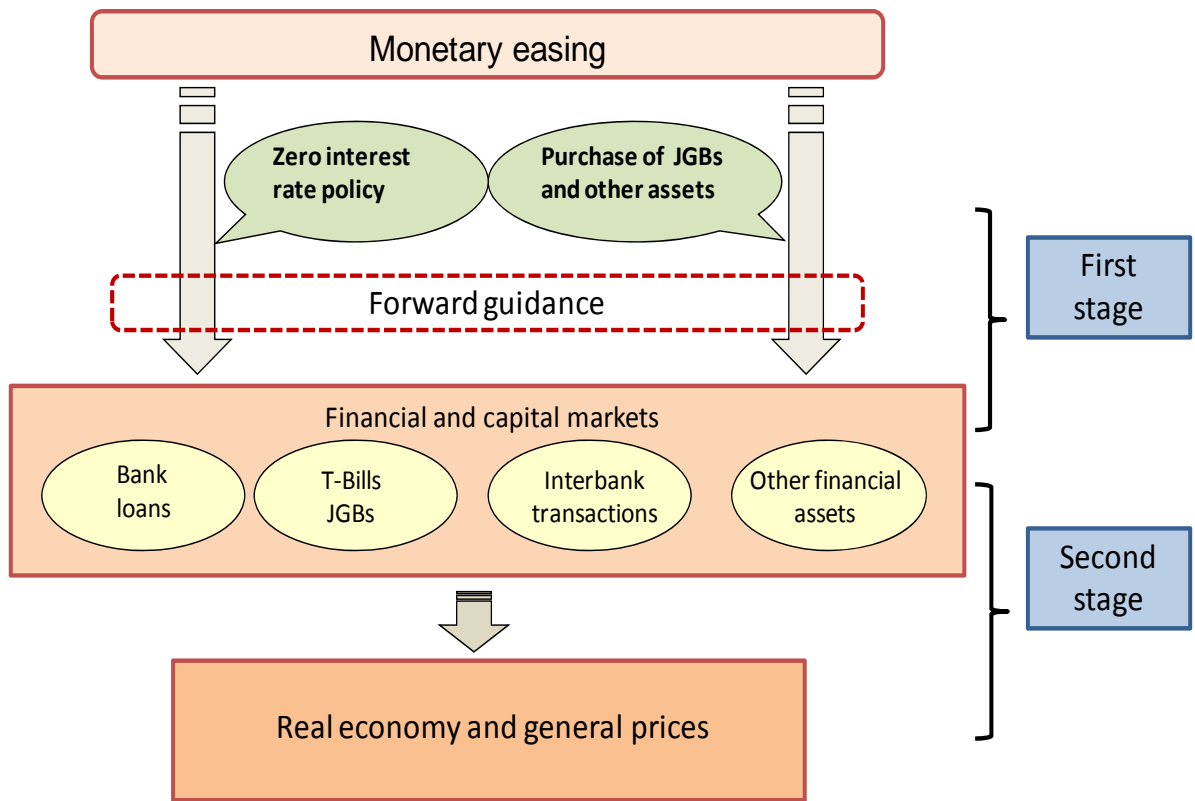
### (2) United States



### (3) Euro Area

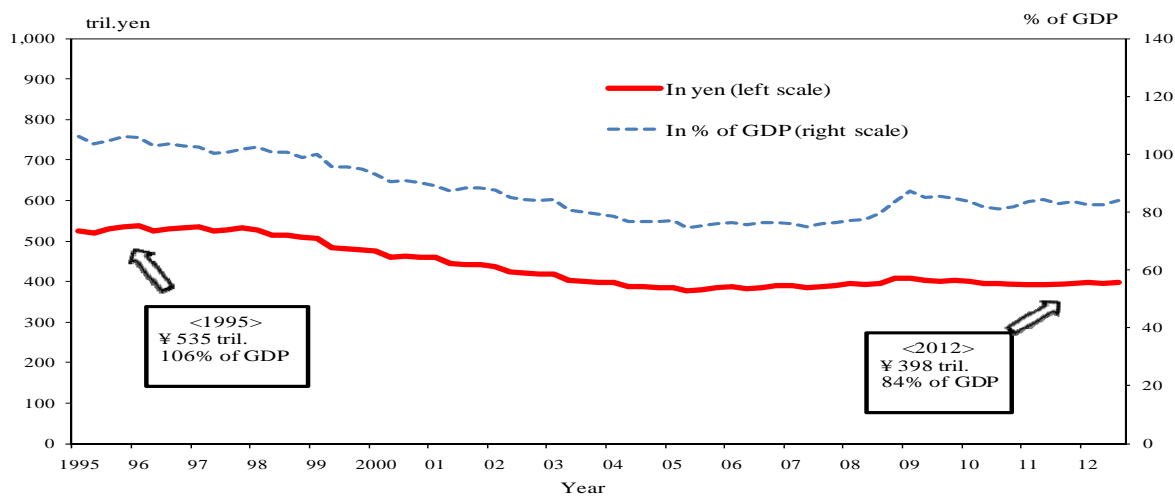


Transmission Mechanism of Quantitative Easing (QE)

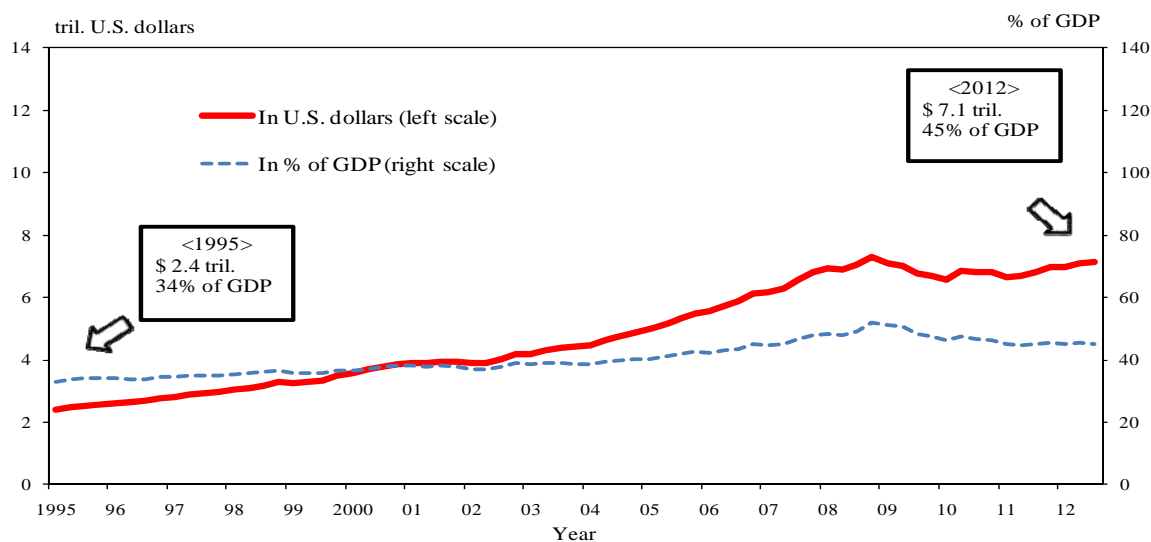


## Bank Loans in Major Economies

### (1) Japan



### (2) United States



### (3) Euro Area

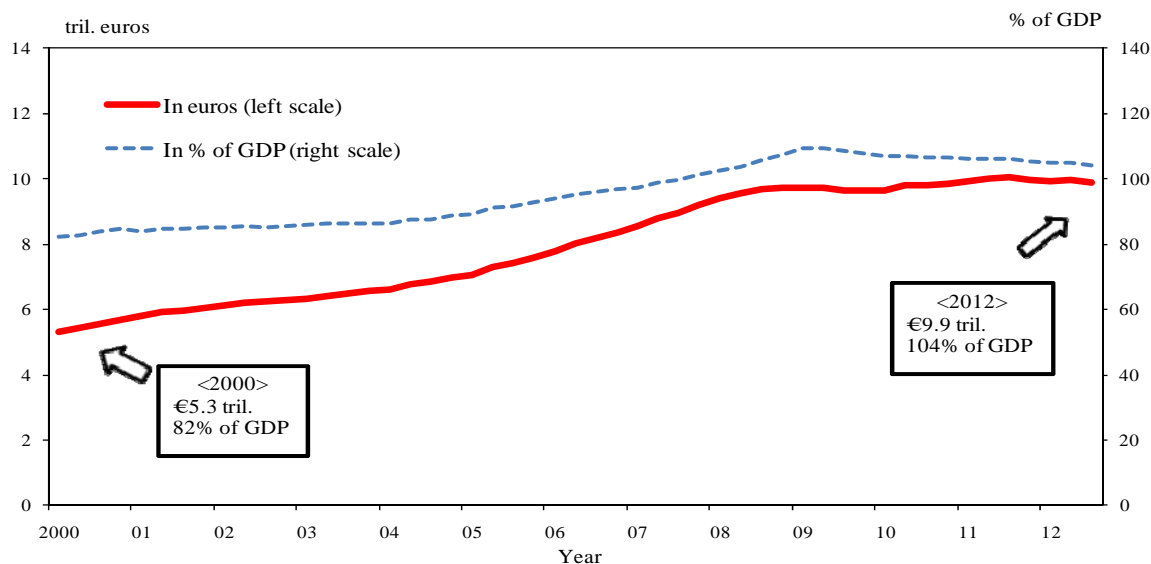
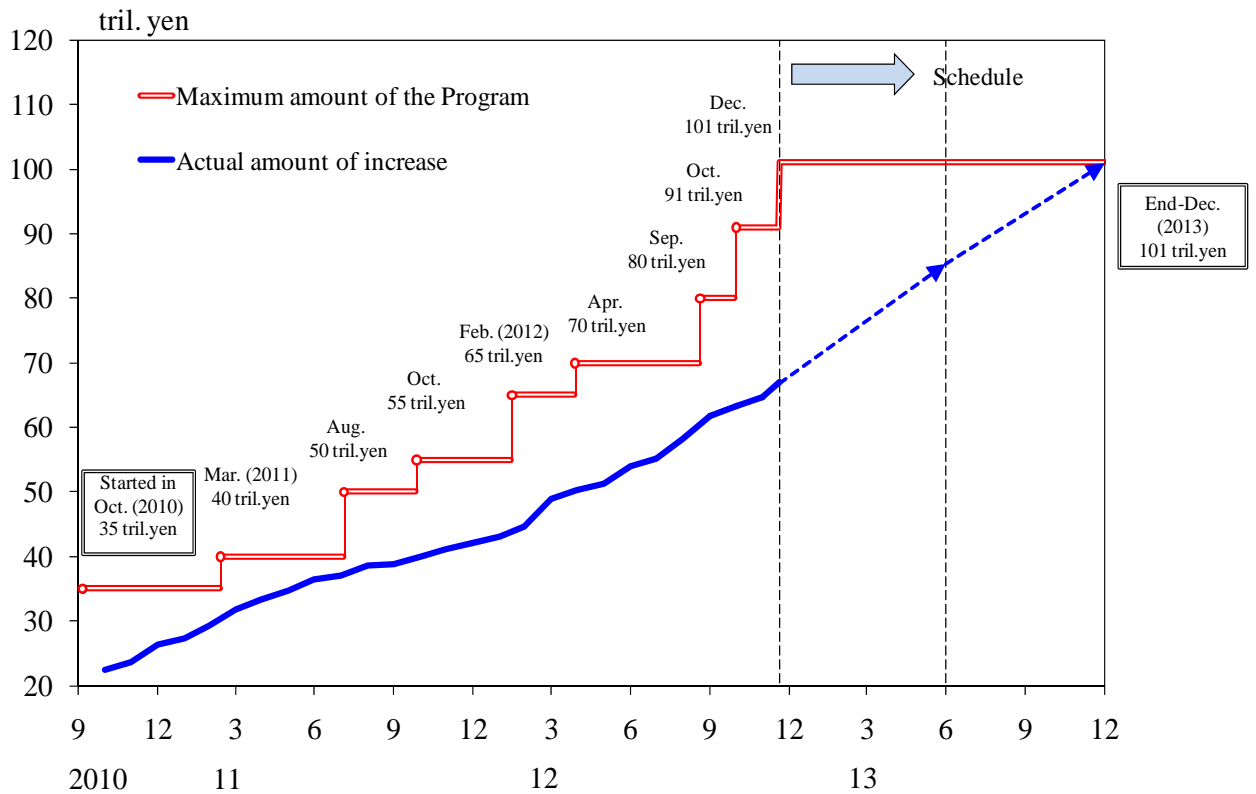


Chart 9

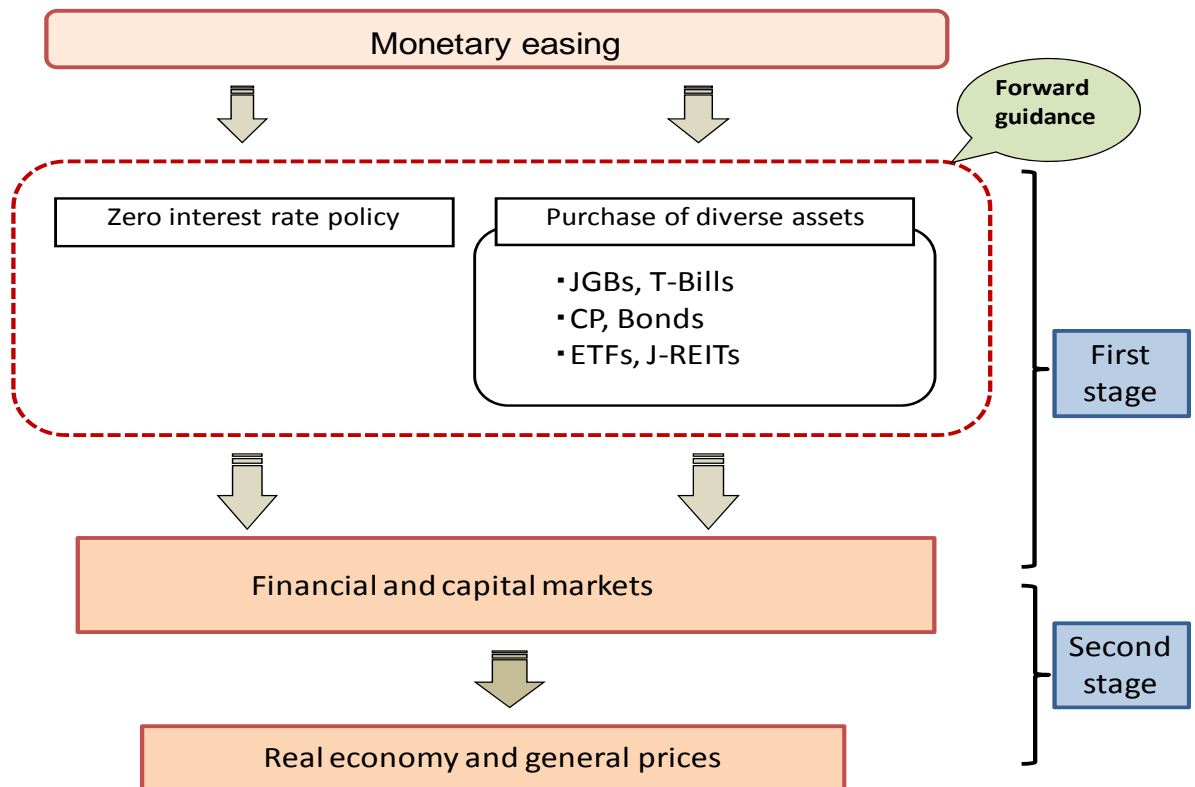
Size of the Asset Purchase Program



Note: Dates indicate the intended timescale for completing the increase.

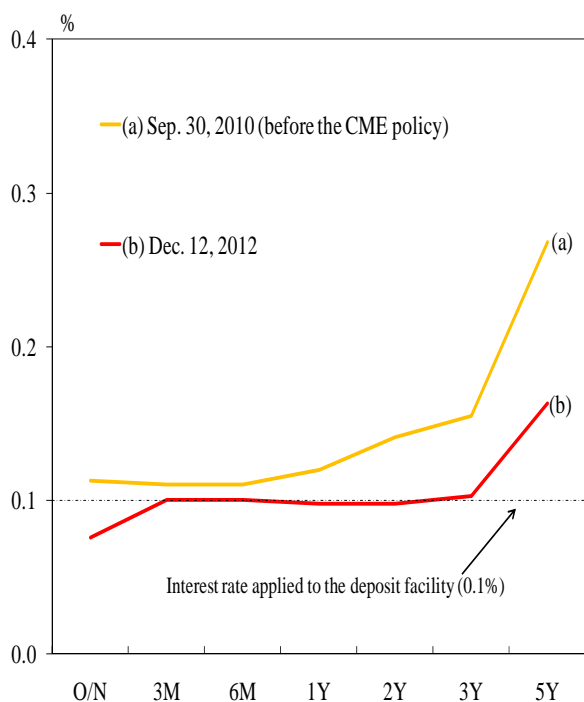
Chart 10

Transmission Mechanism of the Comprehensive Monetary Easing (CME)

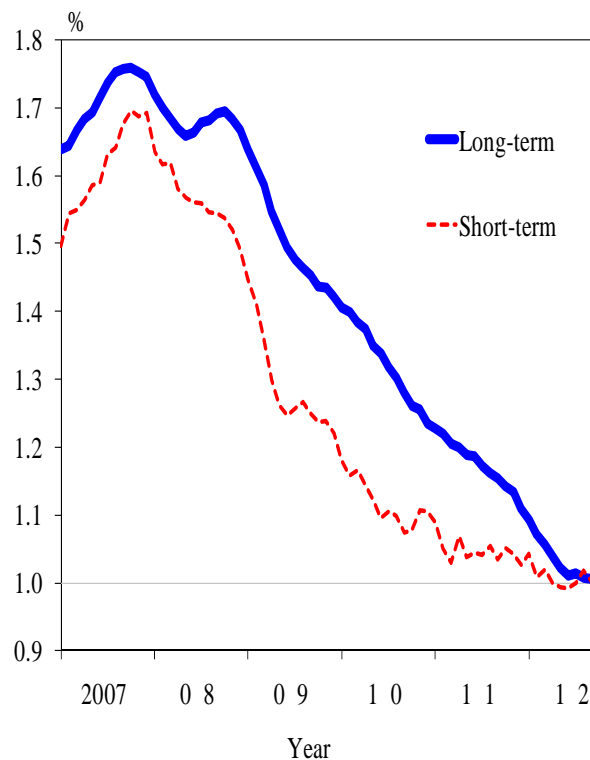


### Interest Rates

(1) Bond Yield Curves



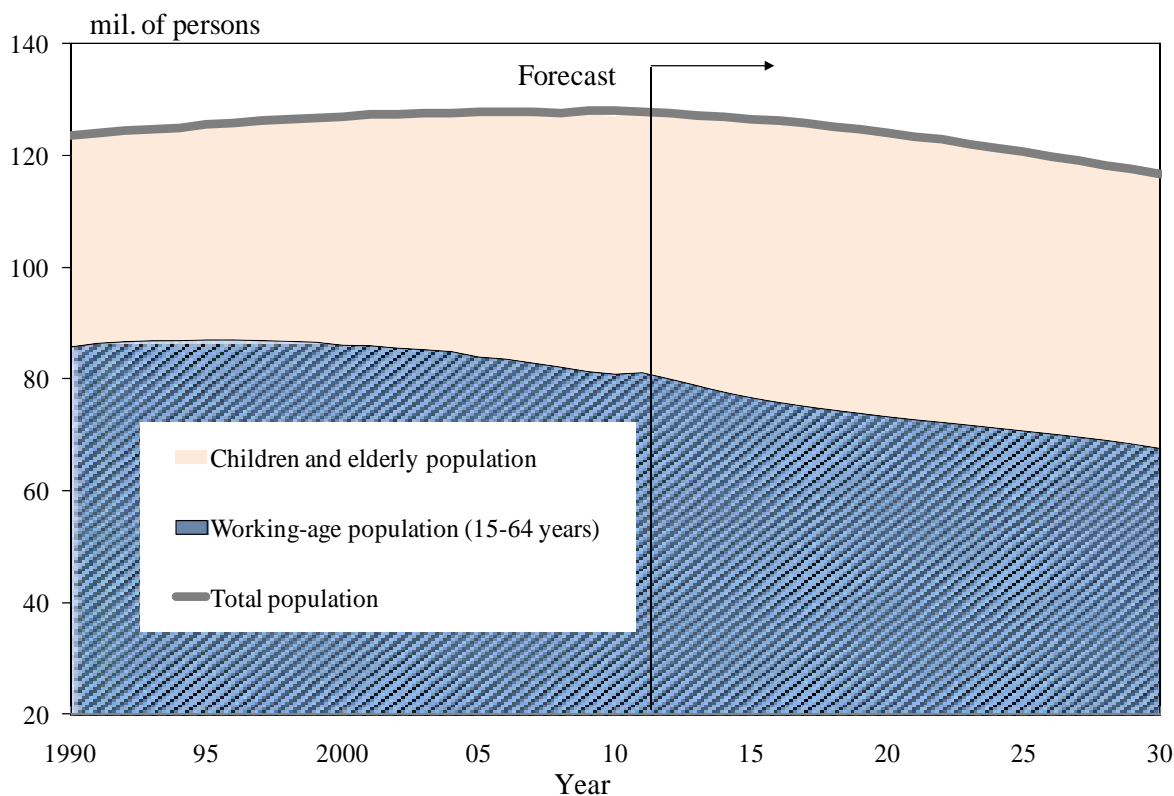
(2) Lending Rates on New Loans



Sources: Bank of Japan; Bloomberg.

Chart 12

### Demographic Changes in Japan

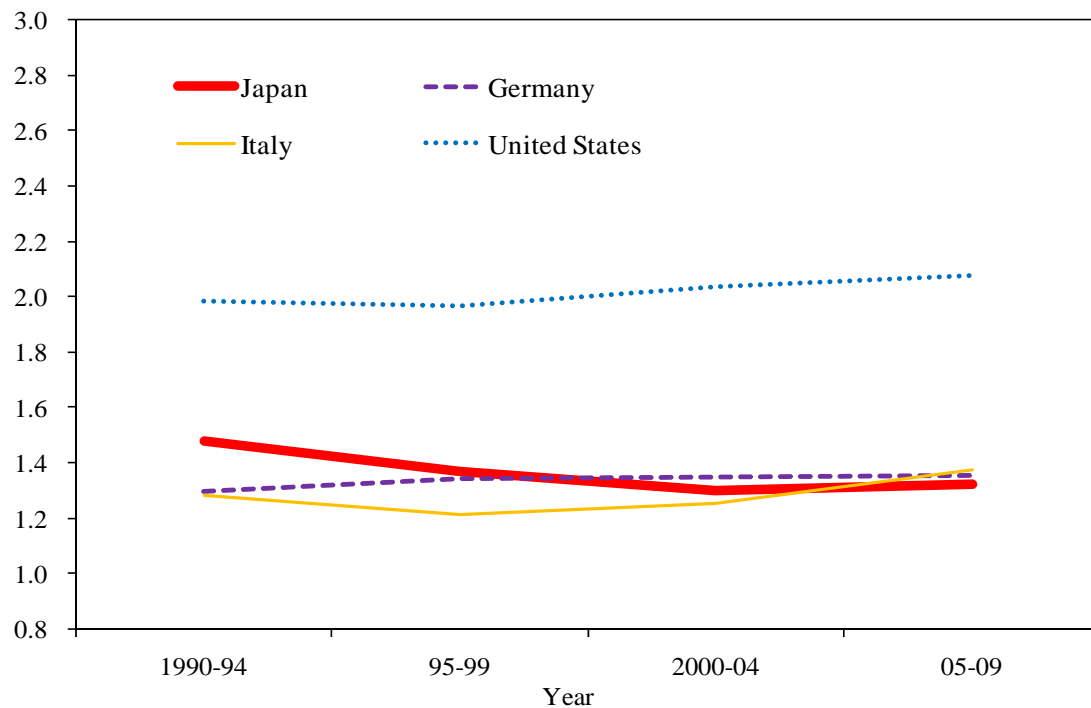


Sources: National Institute of Population and Social Security Research; Ministry of Internal Affairs and Communications.



Chart 13

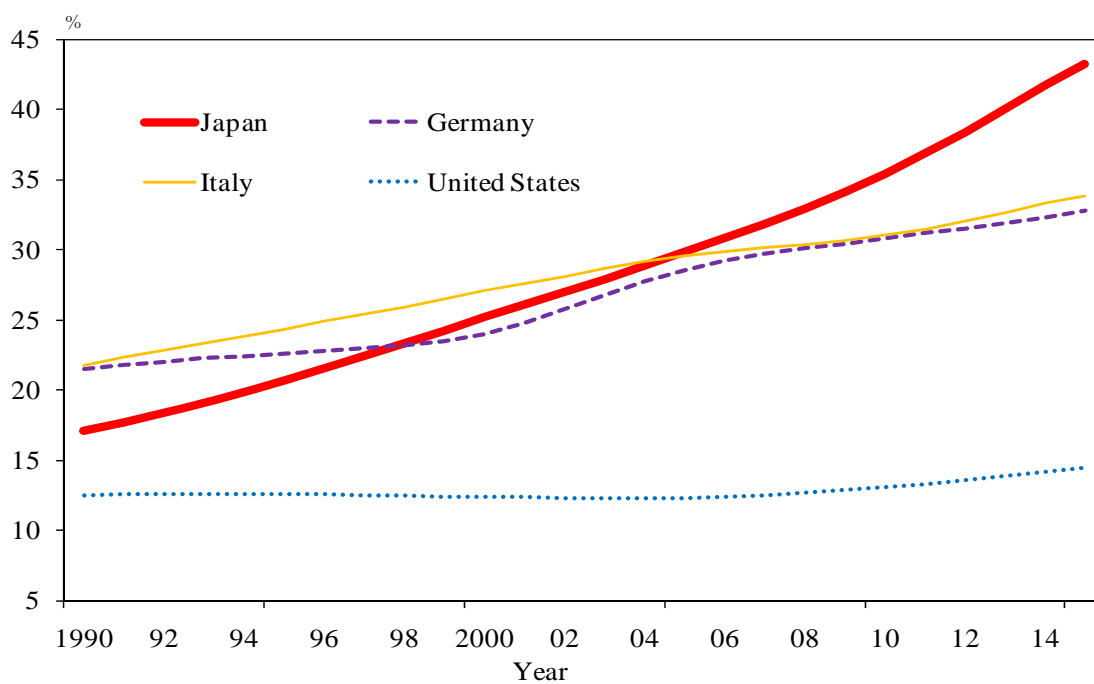
Total Fertility Rates in Japan, the United States, and Europe



Note: The figure refers to the number of children per woman if she bears children in accordance with current age-specific fertility rates.  
 Source: United Nations.

Chart 14

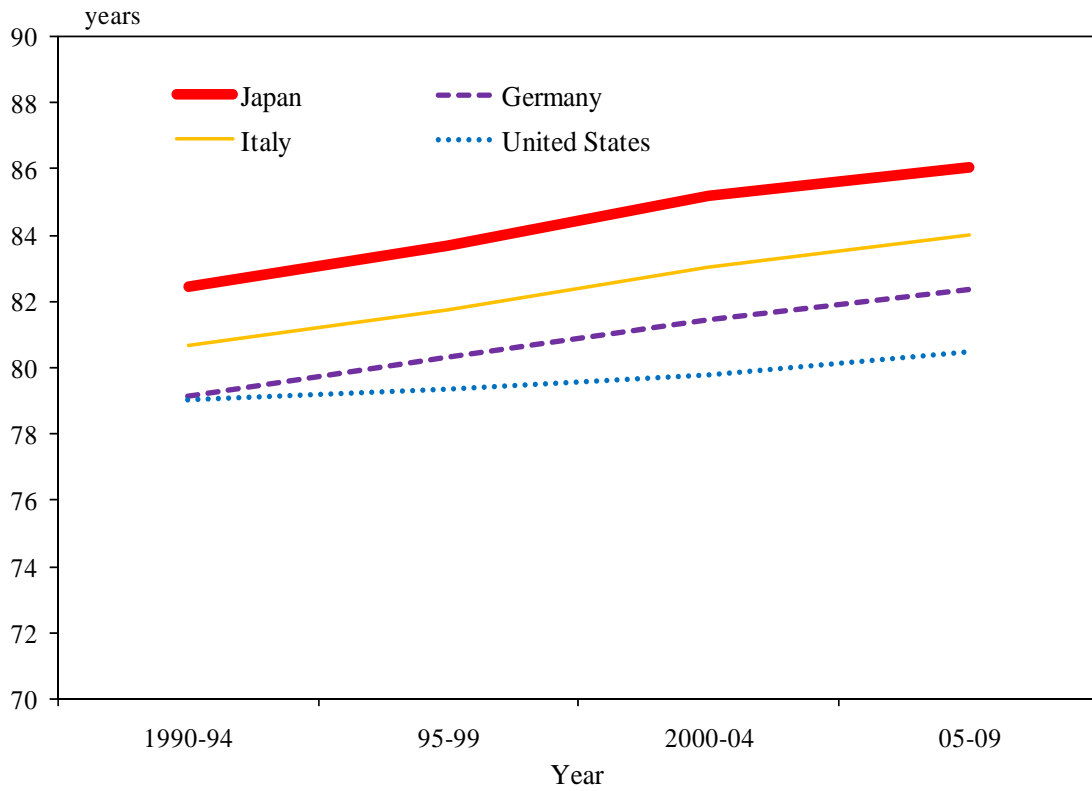
Elderly Dependent Ratios in Japan, the United States, and Europe



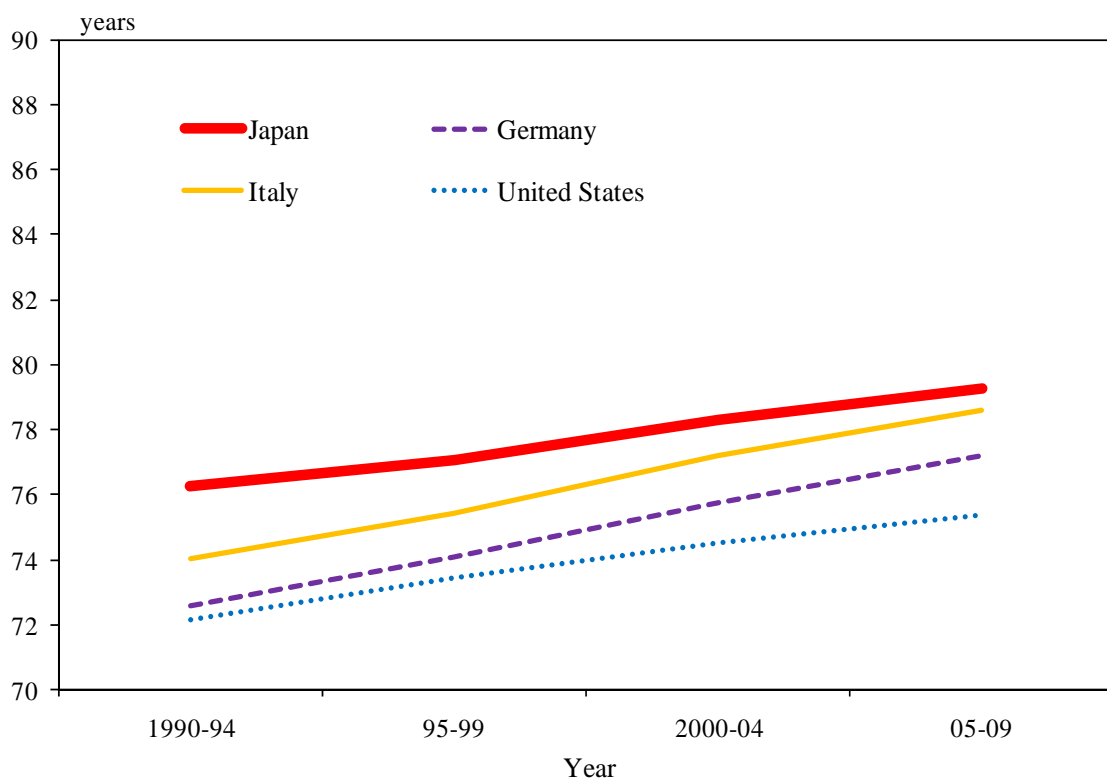
Note: The figure refers to the ratio of the elderly dependent population (65 years and over) to the working-age population (15 to 64 years).  
 Source: United Nations.

Life Expectancy at Birth in Japan, the United States, and Europe

(1) Female



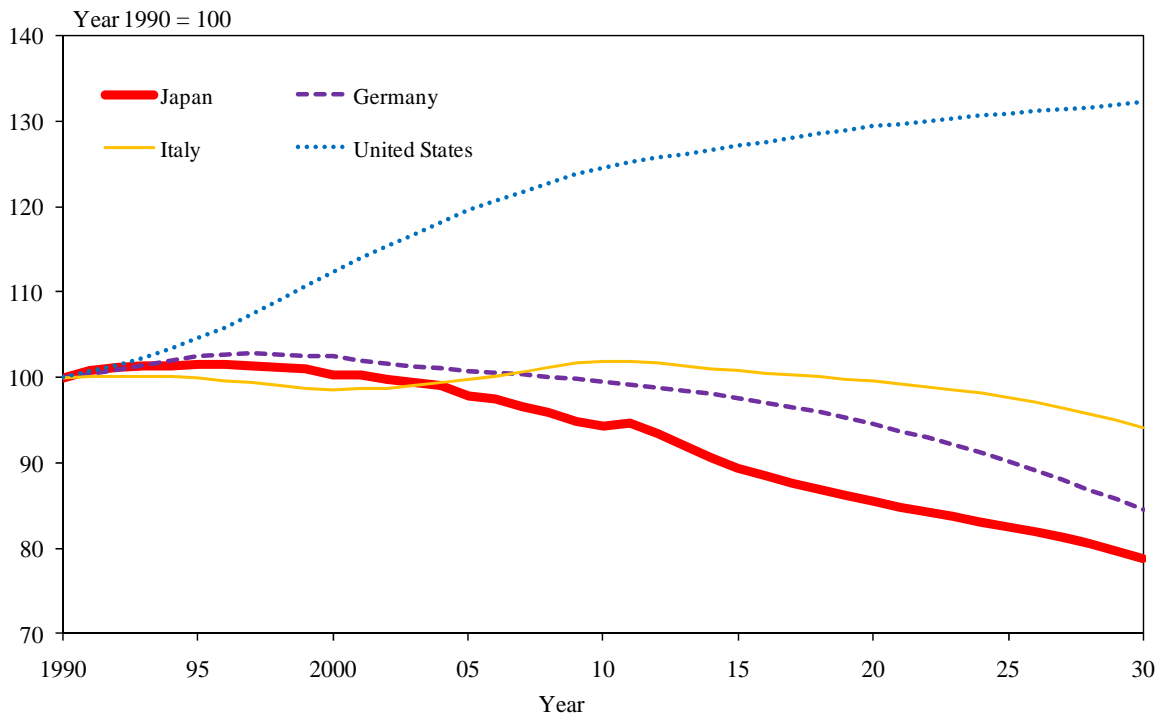
(2) Male



Source: United Nations.

Chart 16

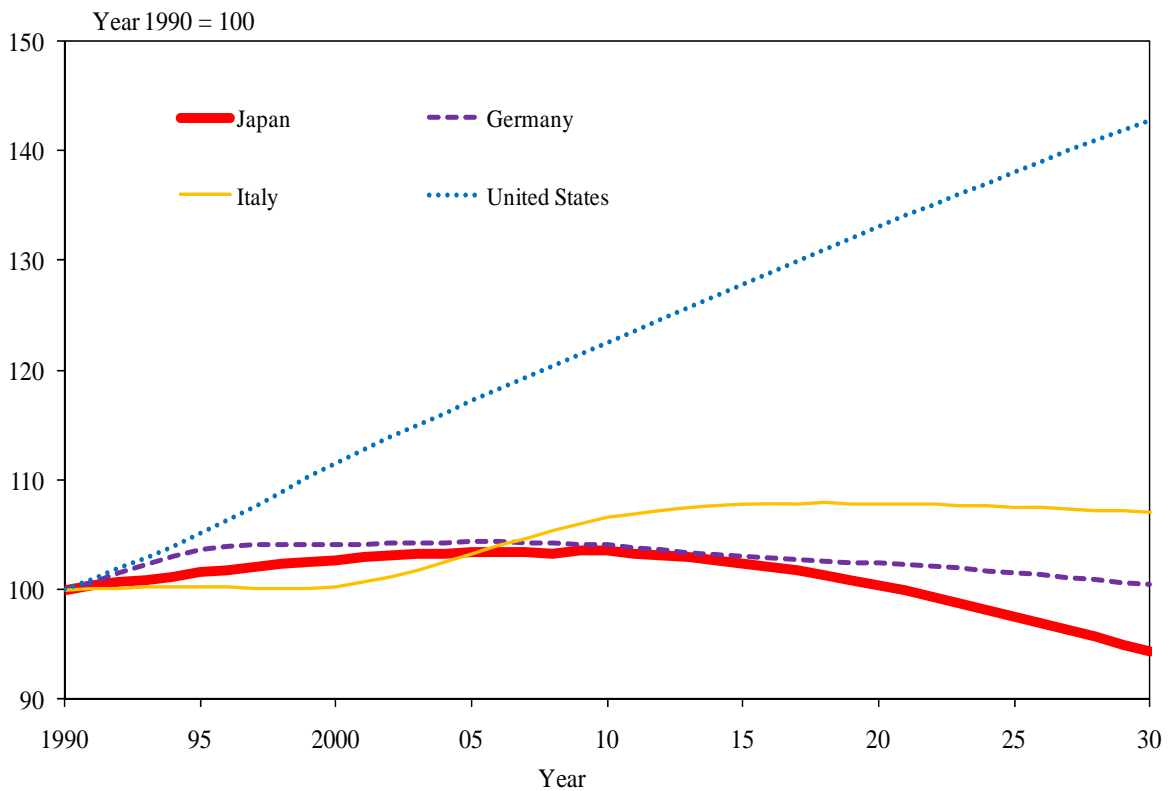
Projected Working-Age Population Trends in Japan, the United States, and Europe



Sources: United Nations; National Institute of Population and Social Security Research; Ministry of Internal Affairs and Communications.

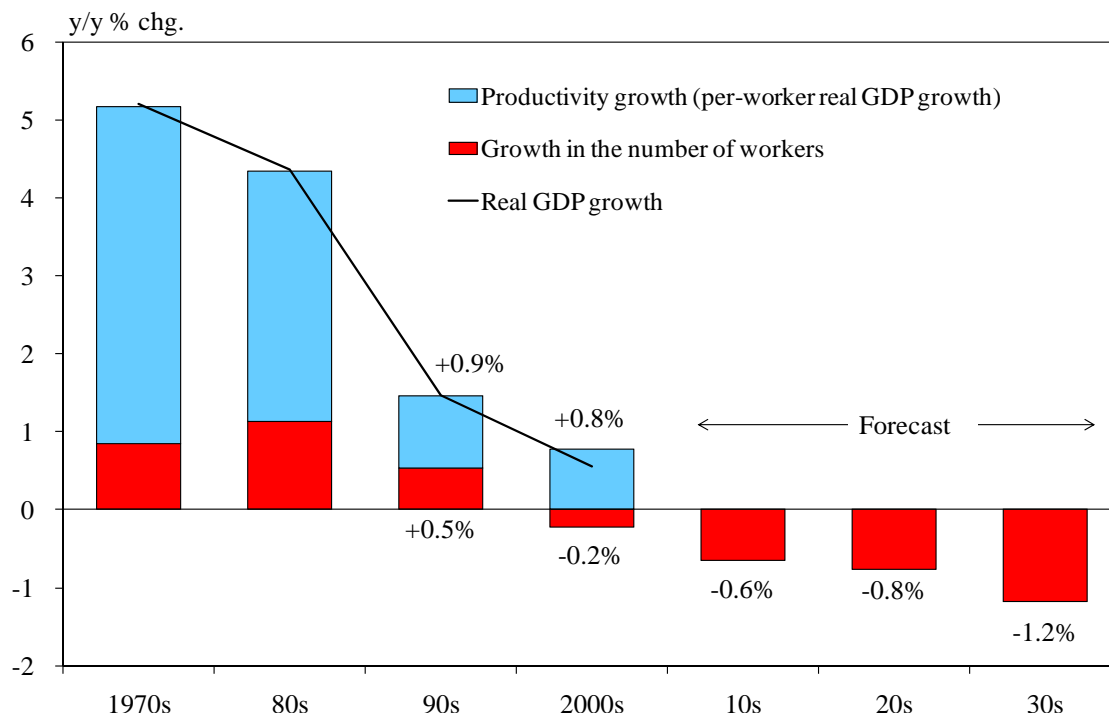
Chart 17

Projected Total Population Trends in Japan, the United States, and Europe



Sources: United Nations; National Institute of Population and Social Security Research; Ministry of Internal Affairs and Communications.

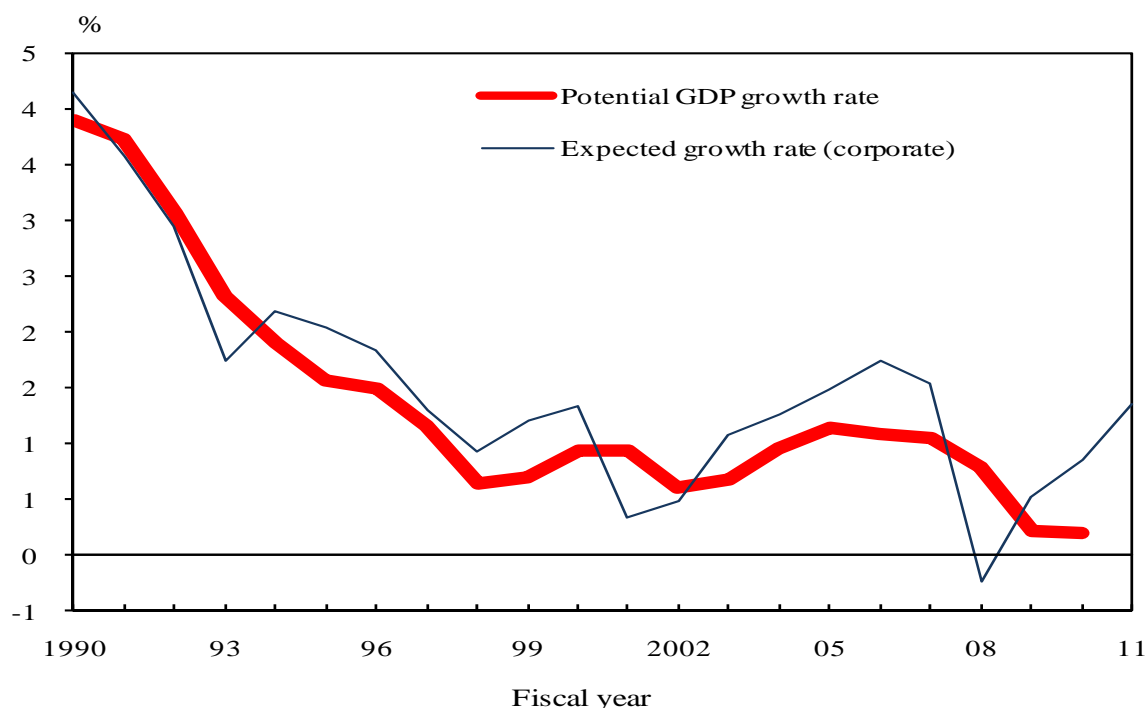
### Real GDP Growth Rate in Japan



Note: The growth rate in the number of workers from 2011 onward is calculated using the projected future population (medium variant) and labor force participation rates (assuming that the labor force participation rates in each age/sex group remain the same as in 2010).

Sources: Cabinet Office; Ministry of Internal Affairs and Communications; National Institute of Population and Social Security Research.

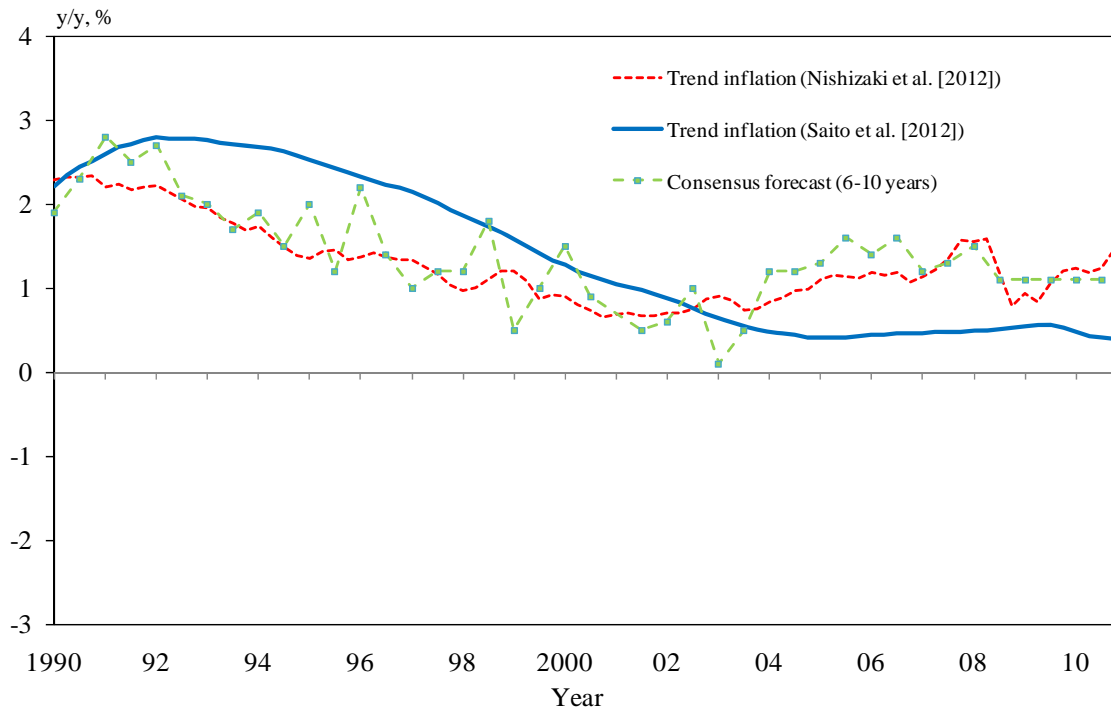
### Potential Economic Growth and Firms' Economic Growth Expectations



Note: Expected growth rate (corporate) refers to the outlook for real demand growth rate three years ahead for industry in the Annual Survey of Corporate Behavior (Cabinet Office).

Sources: Bank of Japan; Cabinet Office.

### Inflation Expectations in Japan



Sources: Nishizaki, Kenji, Toshitaka Sekine, and Yoichi Ueno, "Chronic Deflation in Japan," Bank of Japan Working Paper Series, No. 12-E-6, 2012; Consensus Economics Inc.

### Bank of Japan's Efforts to Cope with Structural Issues

