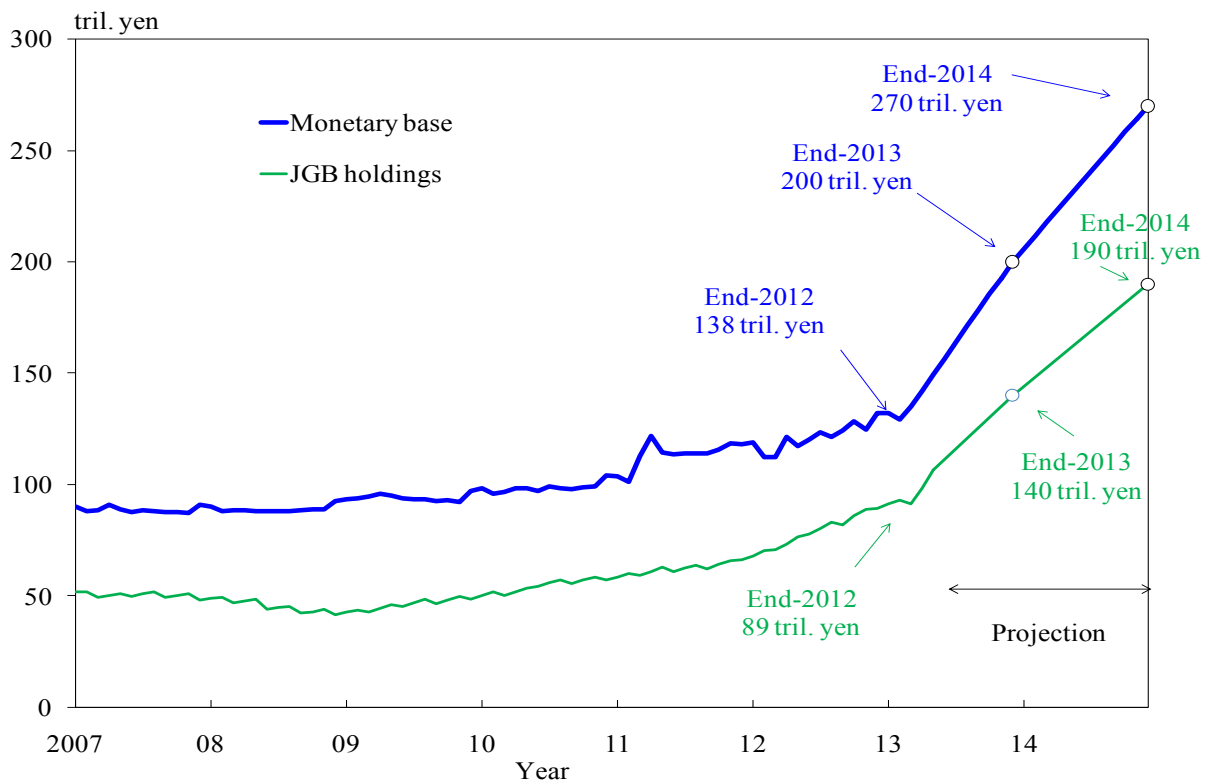


Chart 1

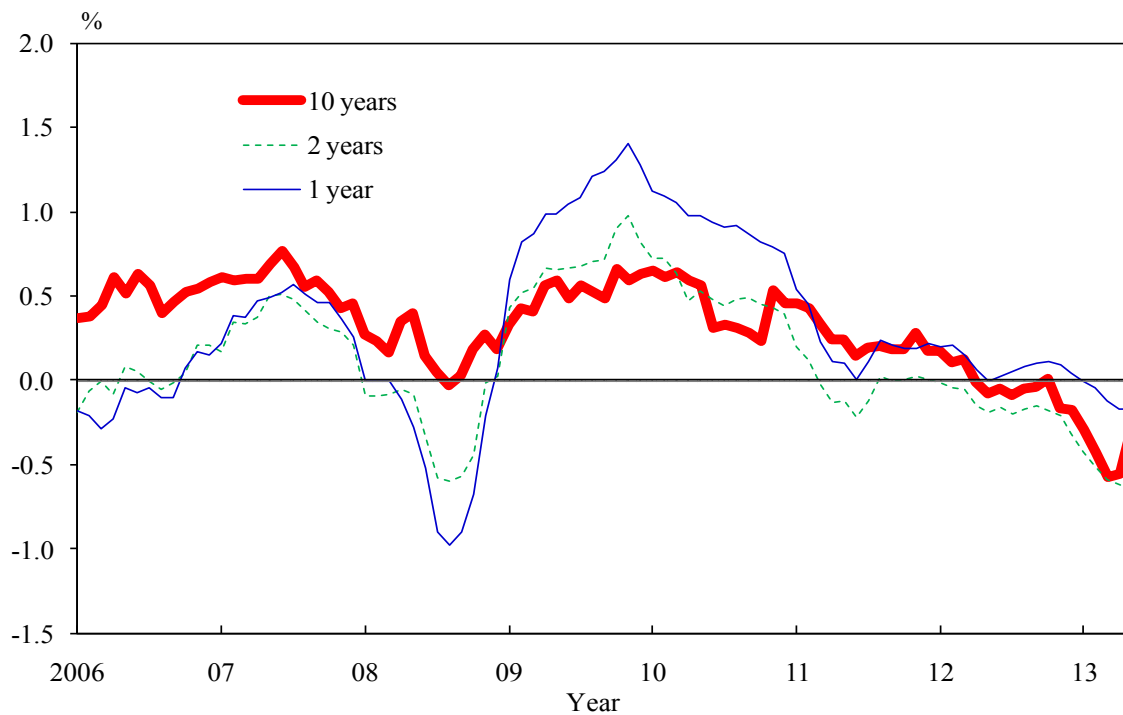
Expansion in the Monetary Base and JGB Purchases



Source: Bank of Japan.

Chart 2

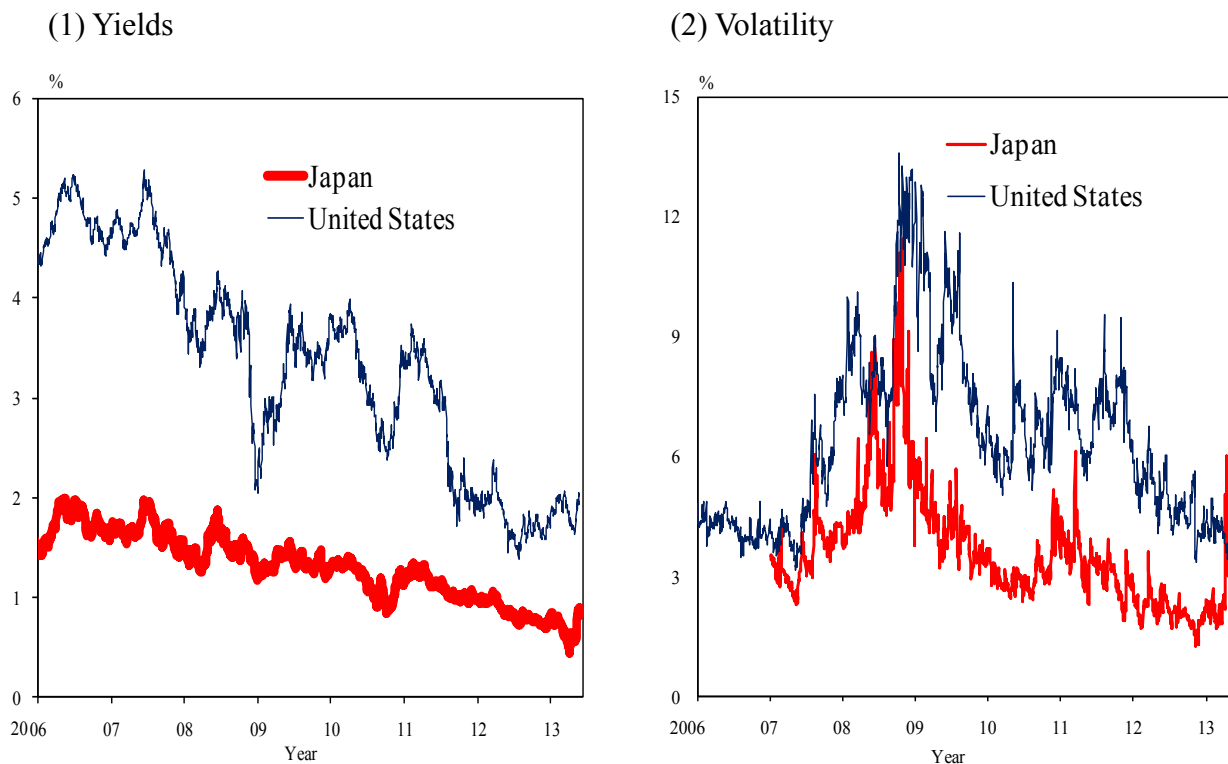
Long-Term Interest Rates in Real Terms



Note: Long-term interest rates in real terms = JGB interest rates - inflation expectations in the QUICK survey.

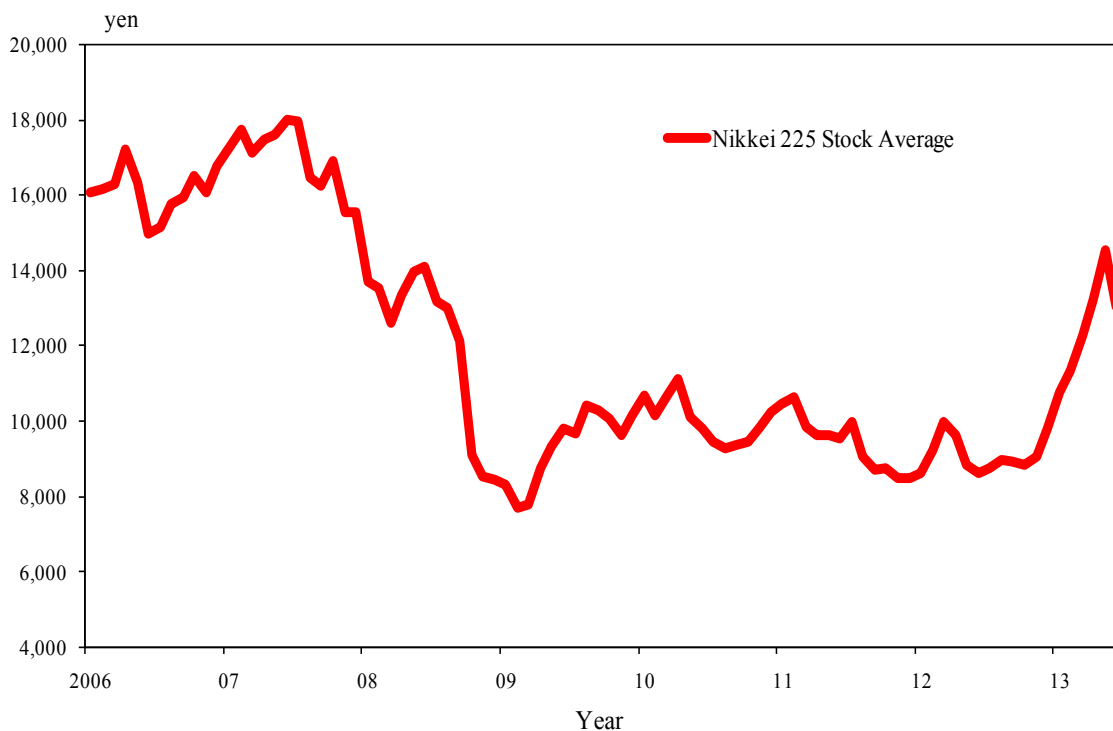
Sources: QUICK; Bloomberg.

Yields and Volatility of Government Bonds



Sources: Bloomberg; Bank of Japan.

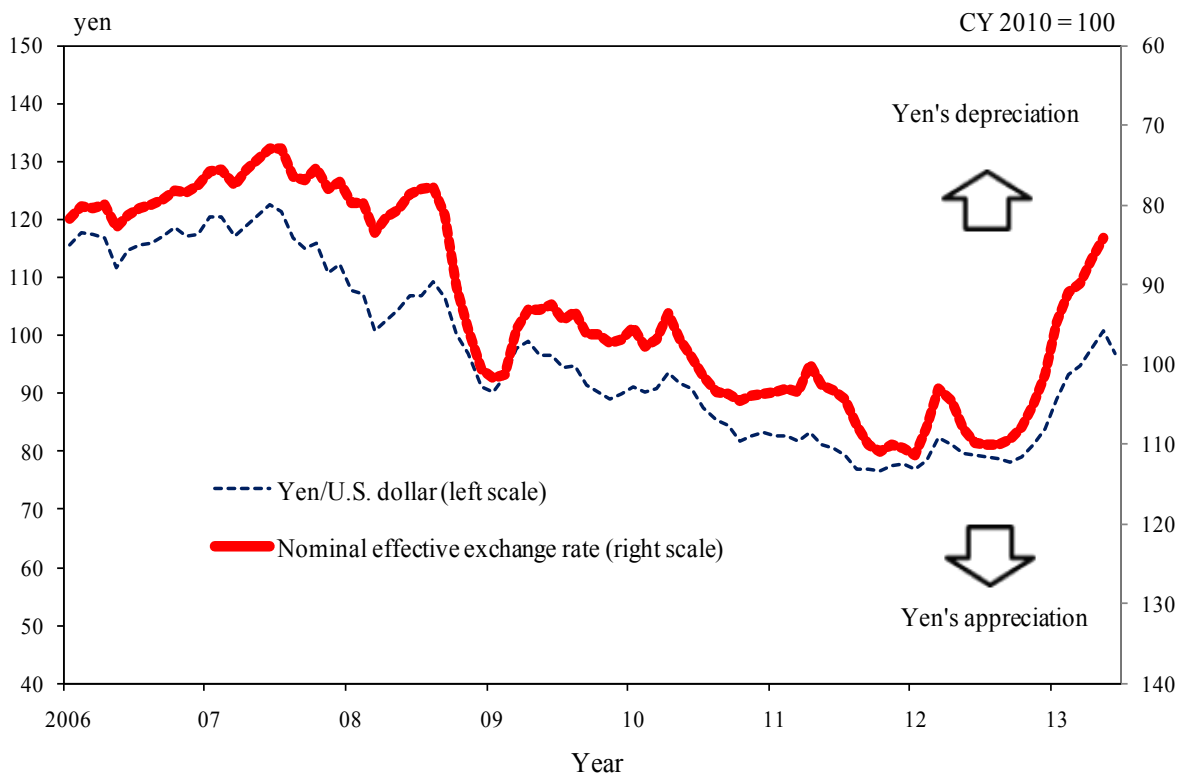
Stock Prices



Source: Bloomberg.

Chart 5

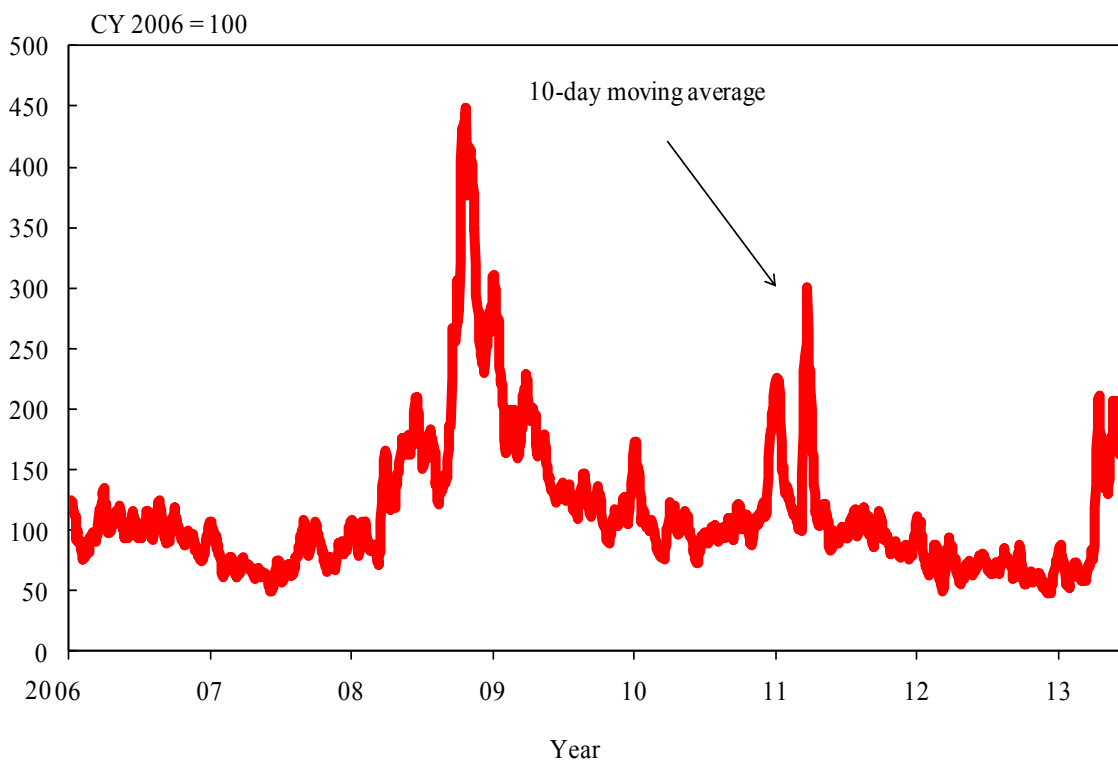
Exchange Rates



Source: Bloomberg.

Chart 6

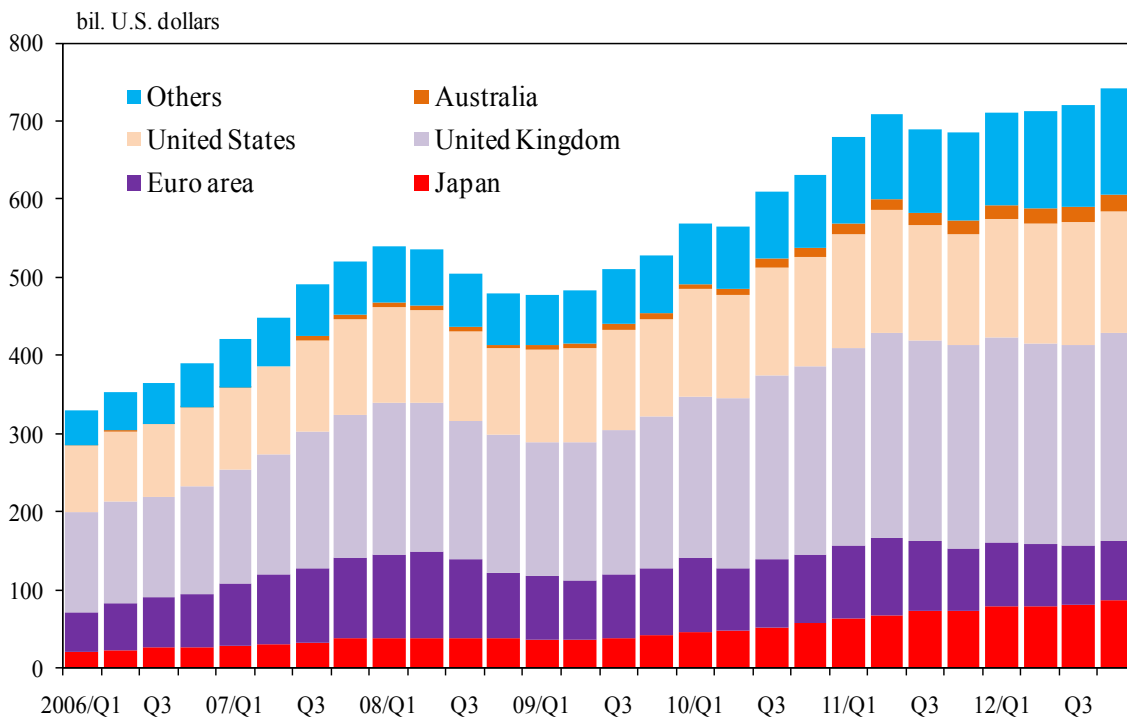
Liquidity Ratio in the JGB Futures Market



Note: Liquidity ratio = intraday high-low spread / trading volume.

Sources: QUICK; Bloomberg.

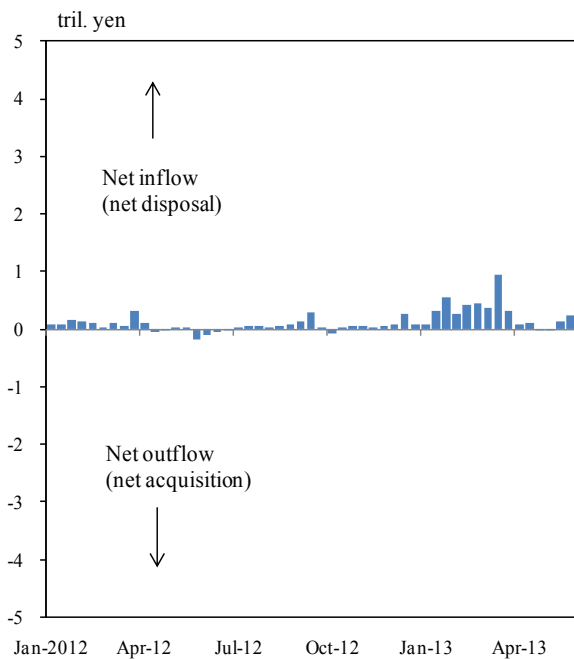
Cross-Border Claims in the Asia-Pacific Region



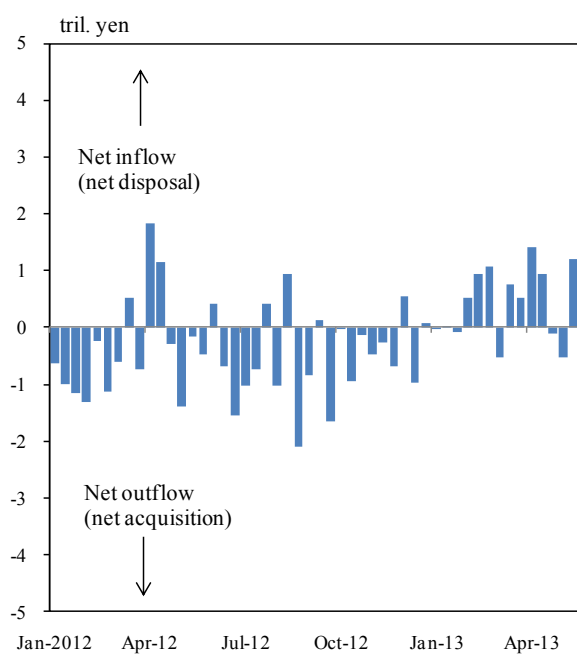
Source: Bank for International Settlements.

Outward Portfolio Investment

(1) Stocks



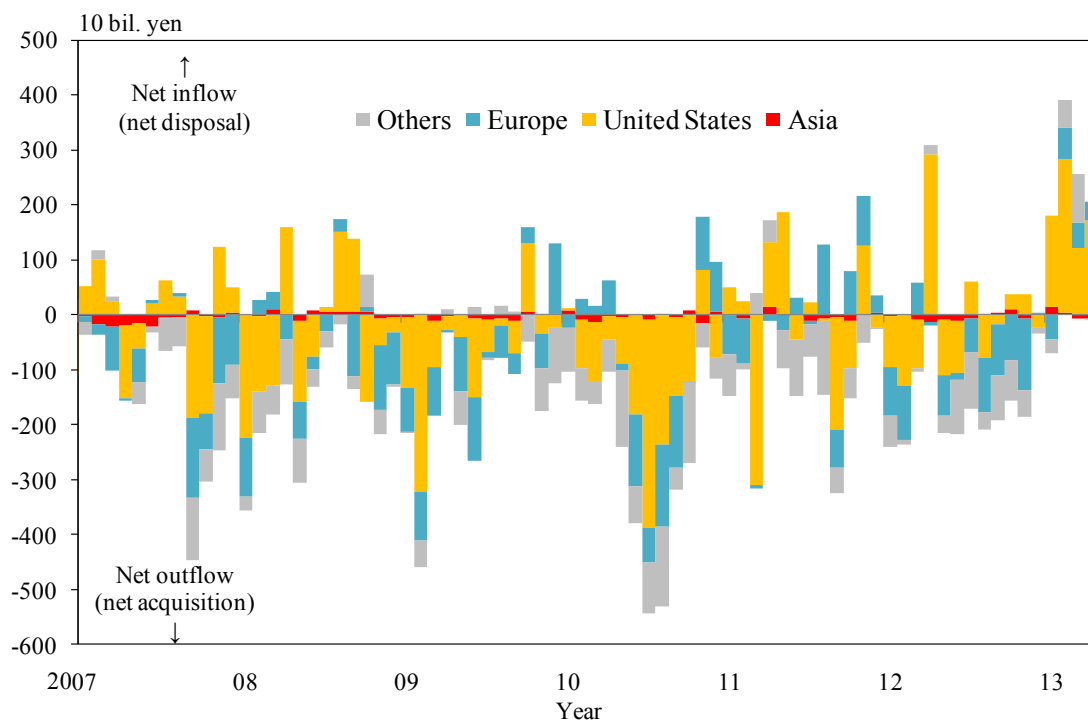
(2) Bonds



Source: Ministry of Finance.

Chart 9

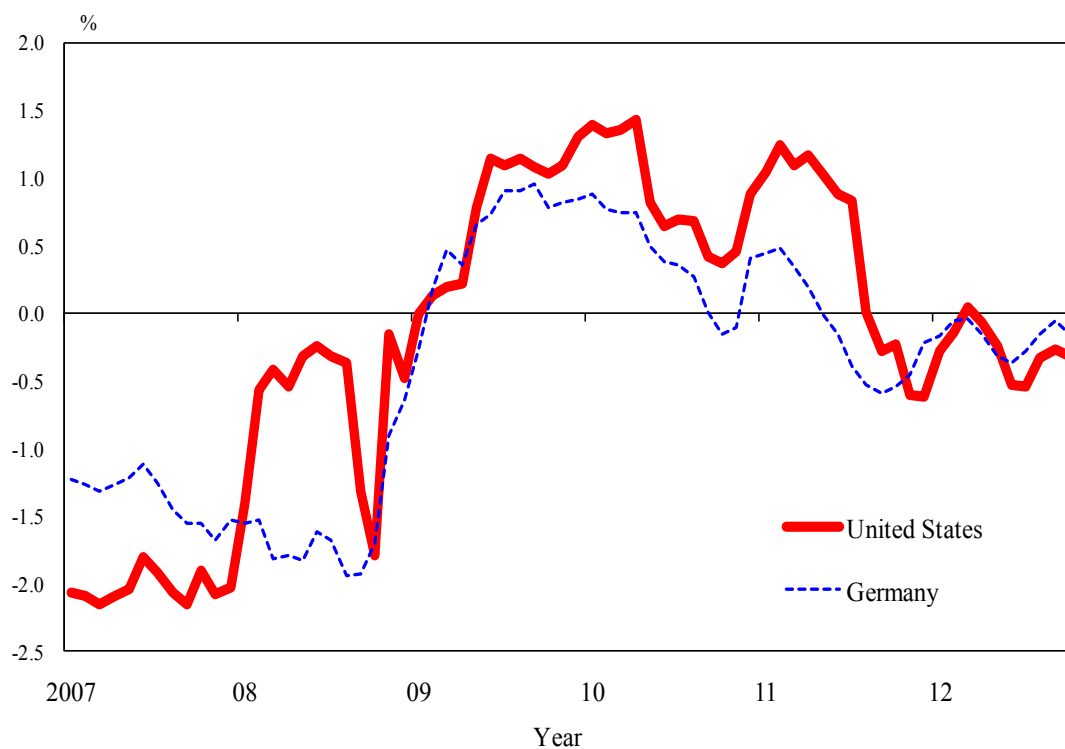
Japan's Outward Portfolio Investment



Source: Ministry of Finance.

Chart 10

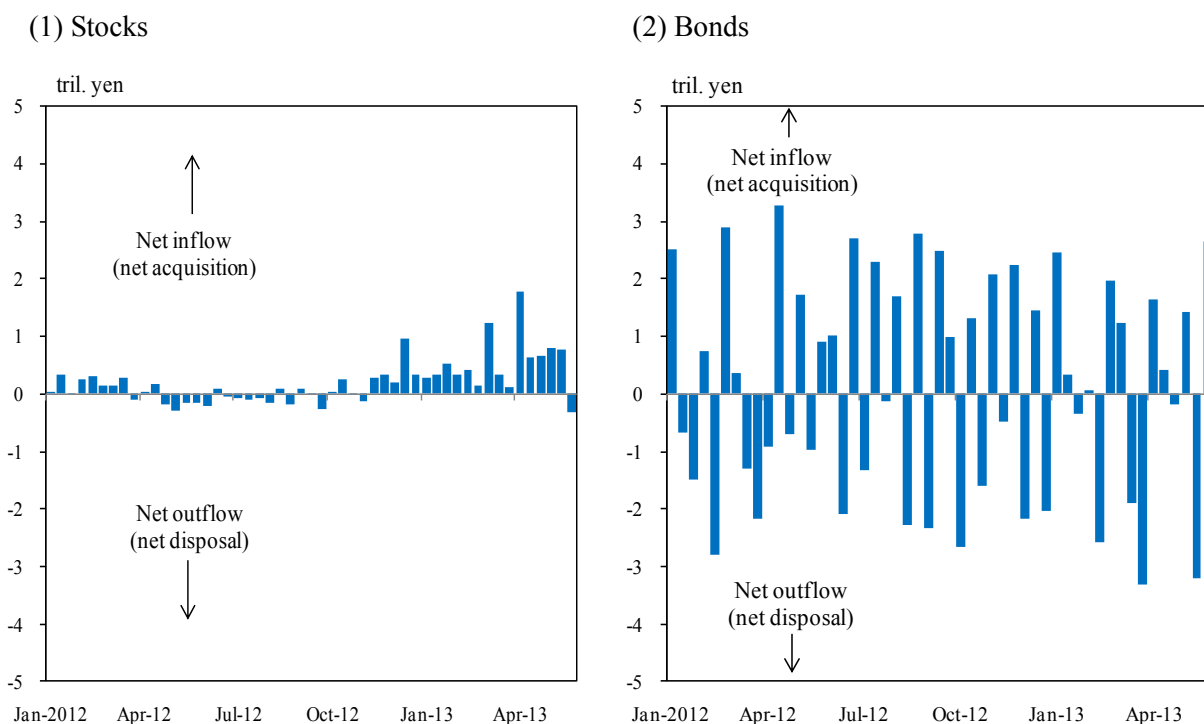
Excess Returns on Net Foreign Bond Investment by Life Insurance Firms



Note: Excess returns on net foreign bond investment = returns for bonds calculated as FX hedged 10-year bond - 20-year JGB yields.

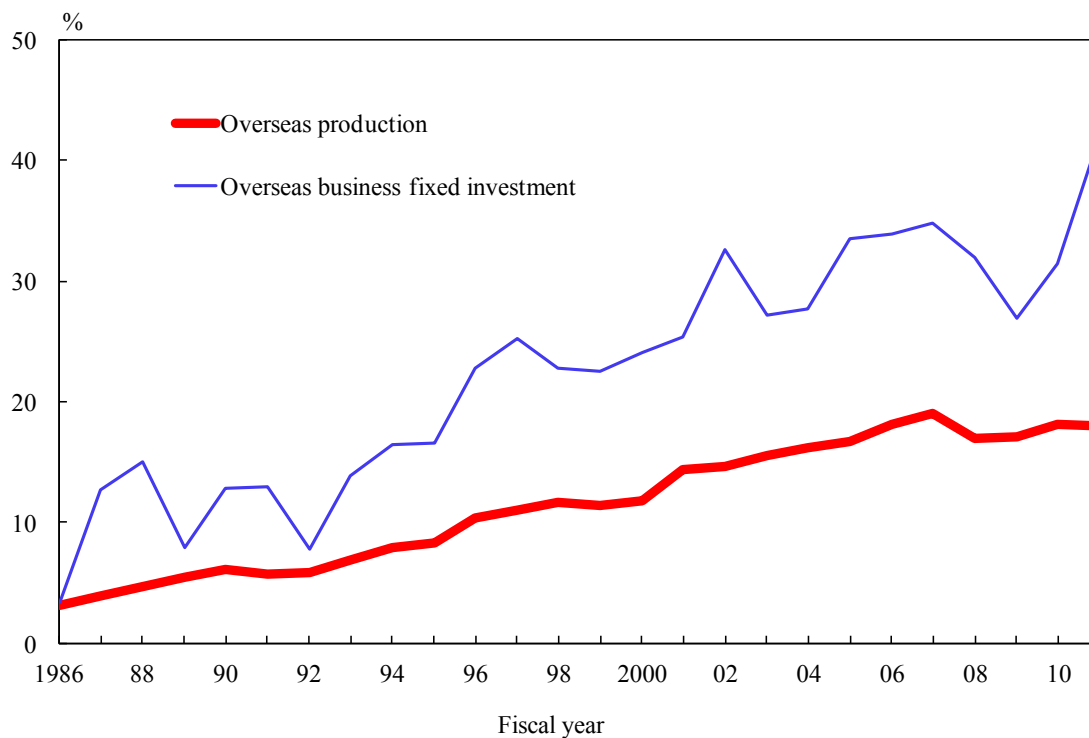
Sources: Bloomberg; Ministry of Finance.

Inward Portfolio Investment



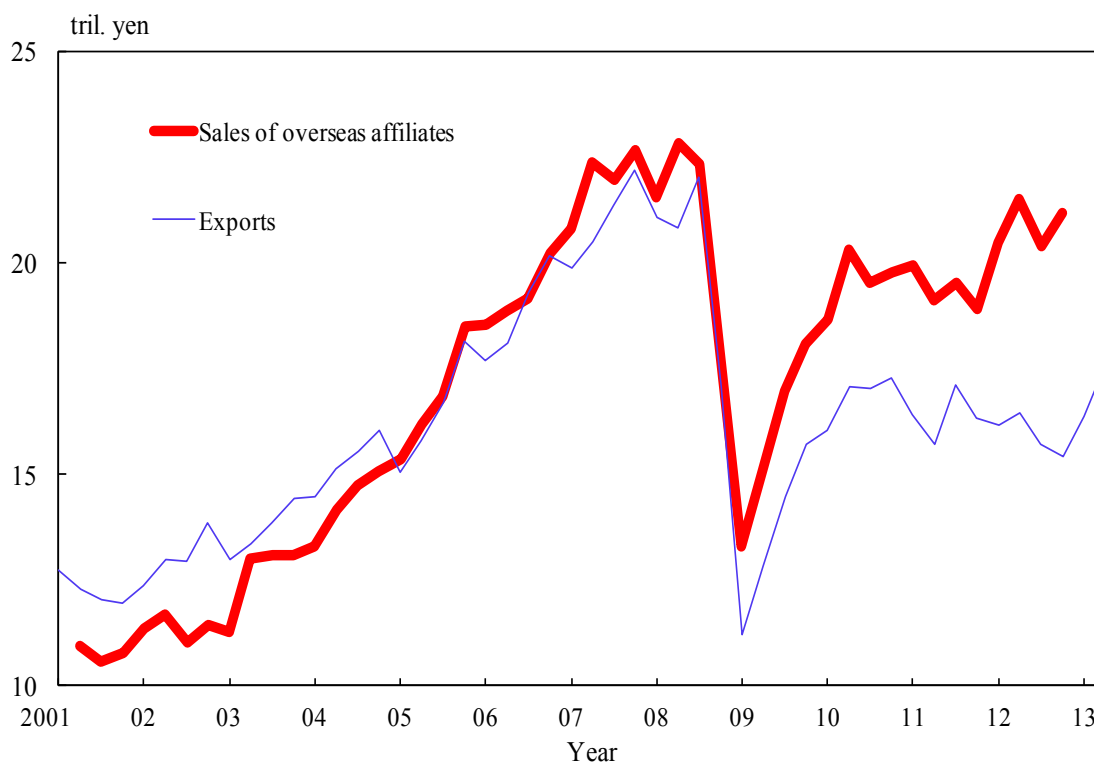
Source: Ministry of Finance.

Ratio of Overseas Production and Business Fixed Investment



Sources: Ministry of Economy, Trade and Industry; Ministry of Finance; Development Bank of Japan.

Sales of Overseas Affiliates and Exports



Sources: Ministry of Economy, Trade and Industry; Ministry of Finance.