

Charts

Speech at a Meeting with Business Leaders in Oita

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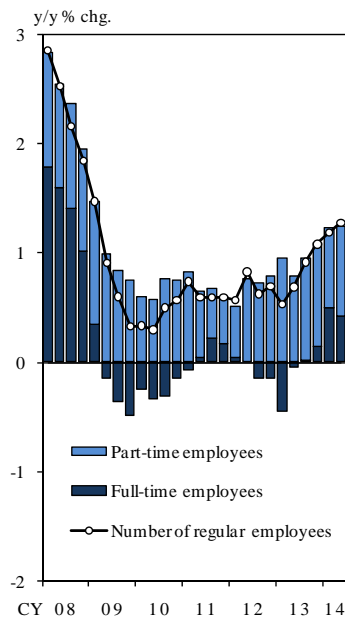
Chart 15: Economic Activity in Oita Prefecture

Note: Charts are based on data released on or prior to June 3, 2014 (noon Japan Standard Time).

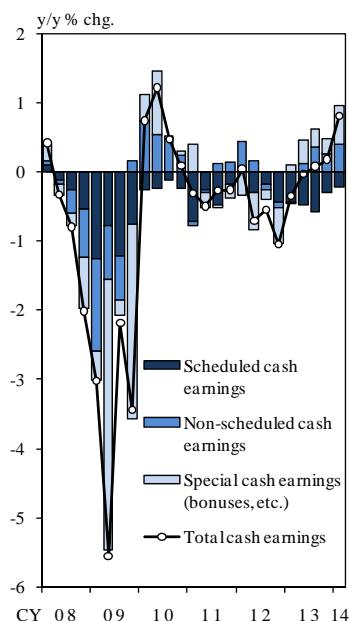
Chart 1

Employee Income

(1) Number of Employees



(2) Nominal Wages*



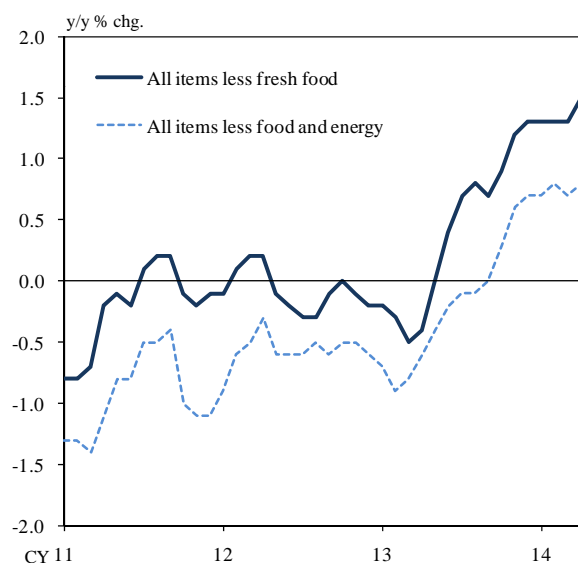
(3) Employee Income

	2013				2014	
	Q1	Q2	Q3	Q4	Q1	Apr.
Total cash earnings (W)	-0.6	0.3	-0.4	0.4	0.1	0.9
Scheduled cash earnings	-0.7	-0.4	-0.7	-0.7	-0.4	-0.2
Non-scheduled cash earnings	-1.9	0.6	3.0	5.5	5.0	5.1
Special cash earnings	9.6	2.4	0.3	1.9	0.8	20.5
Number of regular employees (L)	0.5	0.7	0.9	1.1	1.2	1.3
Employee income (W × L)	-0.0	0.9	0.5	1.5	1.3	2.2

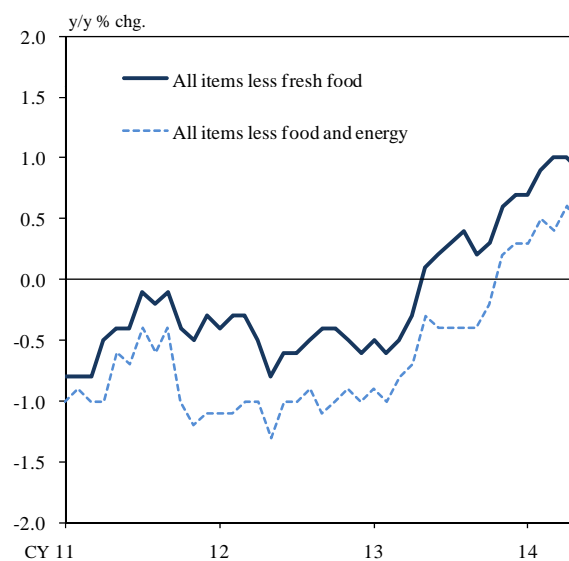
Note: Q1 = March-May, Q2 = June-August, Q3 = September-November, Q4 = December-February.
Source: Ministry of Health, Labour and Welfare.

Consumer Prices

(1) Japan



(2) Ku-Area of Tokyo



Note: Figures for April 2014 and onward are estimated after adjusting for the direct effects of the consumption tax hike.
Source: Ministry of Internal Affairs and Communications.

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Chart 3

Real GDP

Developments in Real GDP

s.a., ann., q/q % chg.

	2013				2014
	Jan.-Mar.	Apr.-June	July-Sep.	Oct.-Dec.	Jan.-Mar. 1st est.
Real GDP Growth Rate	4.9	3.5	1.3	0.3	5.9
Contributions to Changes					
Domestic Demand	(3.2)	(2.9)	(3.3)	(2.6)	(6.9)
Private Demand	(1.7)	(1.2)	(1.8)	(2.0)	(7.3)
Private Consumption	(2.6)	(1.8)	(0.5)	(0.9)	(5.1)
Private Non-Resi. Investment	(- 1.1)	(0.5)	(0.4)	(0.8)	(2.7)
Private Residential Investment	(0.2)	(0.1)	(0.4)	(0.5)	(0.4)
Change in Private Inventories	(0.1)	(- 1.2)	(0.5)	(- 0.2)	(- 0.8)
Public Demand	(1.4)	(1.8)	(1.5)	(0.5)	(- 0.4)
Public Investment	(0.8)	(1.2)	(1.3)	(0.2)	(- 0.5)
External Demand	(1.7)	(0.5)	(- 2.0)	(- 2.2)	(- 1.1)
Exports	(2.4)	(1.7)	(- 0.4)	(0.3)	(3.9)
Imports	(- 0.7)	(- 1.2)	(- 1.6)	(- 2.5)	(- 5.0)

Source: Cabinet Office.

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"Outlook for Economic Activity and Prices" (April 2014)

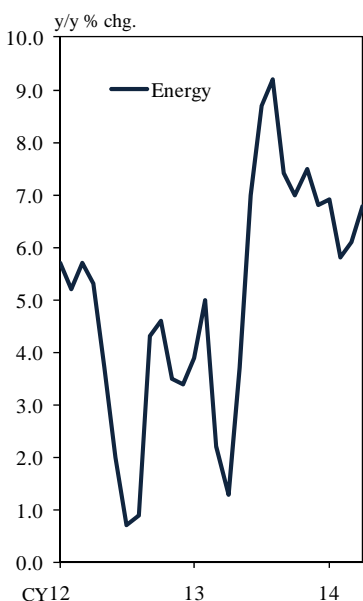
Forecasts of the Majority of Policy Board Members

	y/y % chg.		
	Real GDP	CPI (all items less fresh food)	Excluding the effects of the consumption tax hikes
Fiscal 2013	+2.2 to +2.3 [+2.2]	+0.8	
Forecasts made in January 2014	+2.5 to +2.9 [+2.7]	+0.7 to +0.9 [+0.7]	
Fiscal 2014	+0.8 to +1.3 [+1.1]	+3.0 to +3.5 [+3.3]	+1.0 to +1.5 [+1.3]
Forecasts made in January 2014	+0.9 to +1.5 [+1.4]	+2.9 to +3.6 [+3.3]	+0.9 to +1.6 [+1.3]
Fiscal 2015	+1.2 to +1.5 [+1.5]	+1.9 to +2.8 [+2.6]	+1.2 to +2.1 [+1.9]
Forecasts made in January 2014	+1.2 to +1.8 [+1.5]	+1.7 to +2.9 [+2.6]	+1.0 to +2.2 [+1.9]
Fiscal 2016	+1.0 to +1.5 [+1.3]	+2.0 to +3.0 [+2.8]	+1.3 to +2.3 [+2.1]

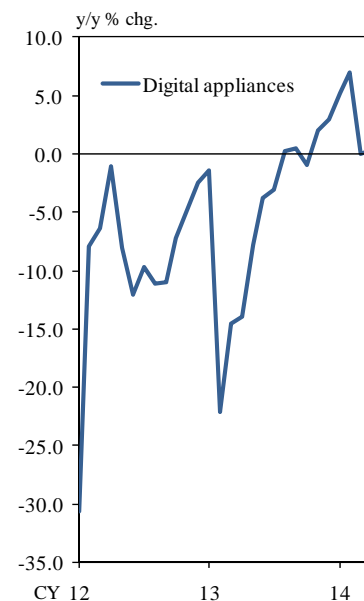
Note: Figures in brackets indicate the median of the Policy Board members' forecasts (point estimates).
Source: Bank of Japan.

Consumer Prices by Item

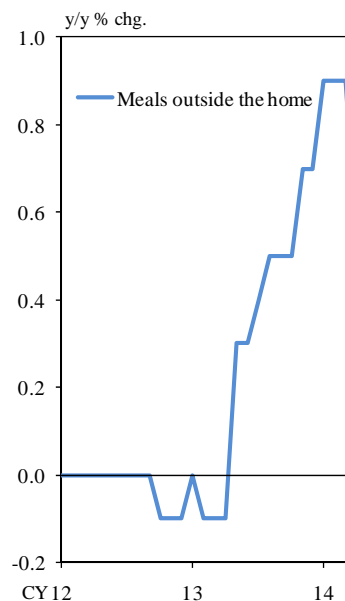
(1) Energy



(2) Digital Appliances



(3) Meals Outside the Home



Notes: 1. Figures for April 2014 and onward are estimated after adjusting for the direct effects of the consumption tax hike.
2. Prices of digital appliances refer to those of the following CPI items: TV sets, mobile audio players, electronic dictionaries, video recorders, personal computers (desktop type), personal computers (note type), PC printers, digital cameras, and video cameras.
Source: Ministry of Internal Affairs and Communications.

Global Economic Outlook

IMF Projections (as of April 2014)

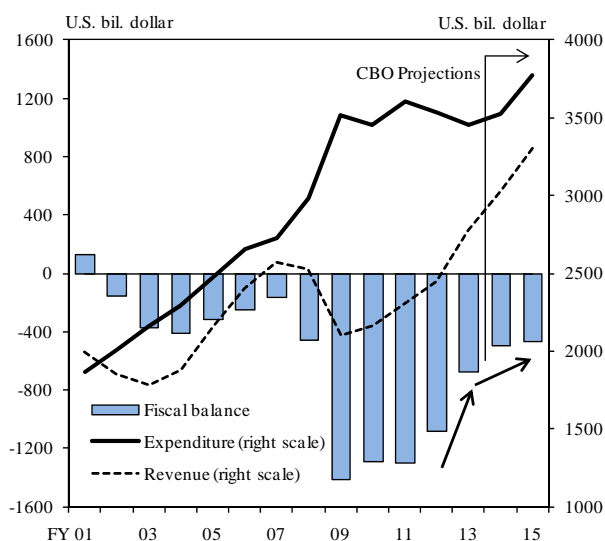
real GDP growth rate, y/y % chg.

CY	2012	2013	2014 projection	2015 projection
World	3.2	3.0	3.6 (-0.1)	3.9 (-0.1)
Advanced economies	1.4	1.3	2.2 (0.0)	2.3 (0.0)
United States	2.8	1.9	2.8 (0.0)	3.0 (0.0)
Euro area	-0.7	-0.5	1.2 (0.1)	1.5 (0.1)
Japan	1.4	1.5	1.4 (-0.3)	1.0 (0.0)
Emerging market and developing economies	5.0	4.7	4.9 (-0.2)	5.3 (-0.1)
Developing Asia	6.7	6.5	6.7 (0.0)	6.8 (0.0)
China	7.7	7.7	7.5 (0.0)	7.3 (0.0)
ASEAN	6.2	5.2	4.9 (-0.2)	5.4 (-0.2)
Latin America and the Caribbean	3.1	2.7	2.5 (-0.4)	3.0 (-0.3)

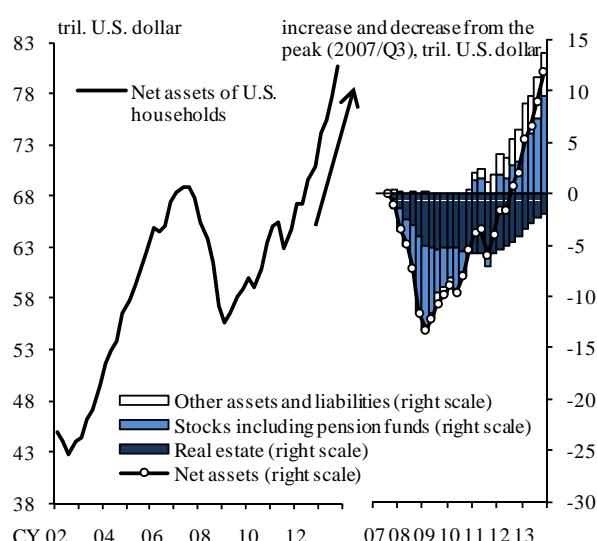
Notes: 1. Figures are calculated using GDP based on purchasing power parity (PPP) shares of the world total from the International Monetary Fund.
 2. Figures in parentheses are the difference from the January 2014 *World Economic Outlook*.
 Source: International Monetary Fund.

U.S. Economy

(1) Fiscal Balance*



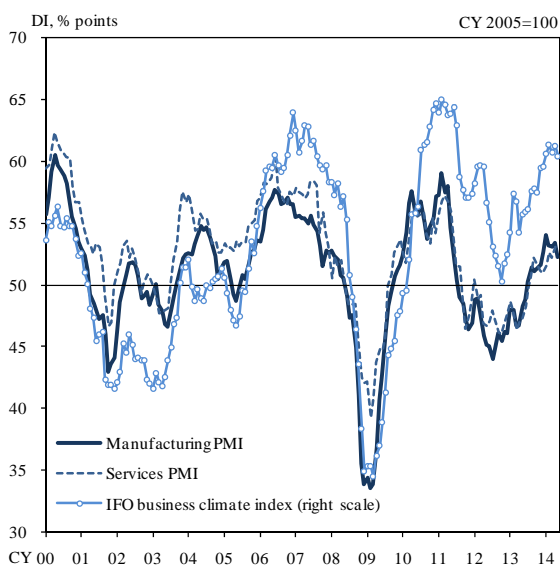
(2) Households' Balance Sheet



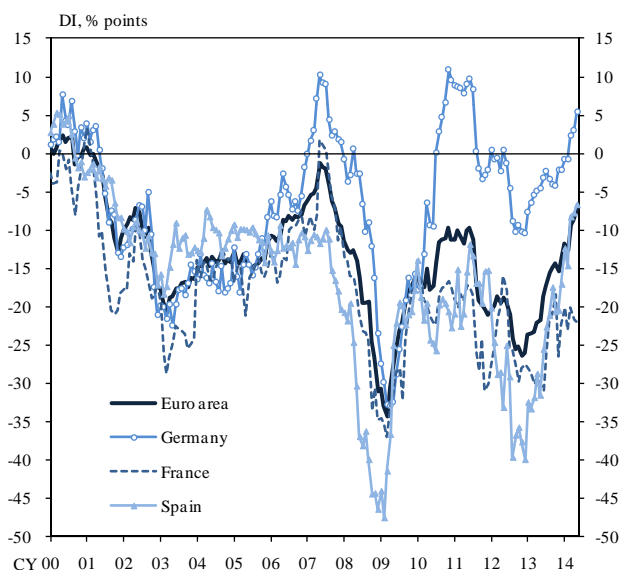
Note: Congressional Budget Office (CBO) Projections are as of April 2014. Accounting year basis (from October of previous year to September of current year).
 Sources: Congressional Budget Office; Haver Analytics.

Euro Area Economy

(1) Business Confidence



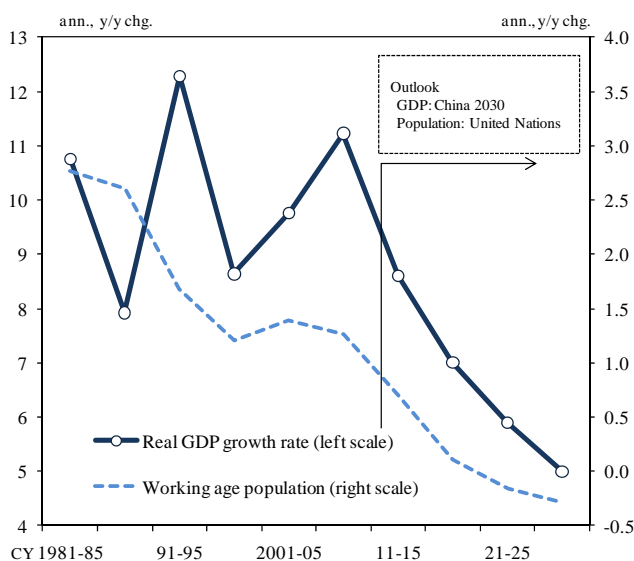
(2) Consumer Confidence



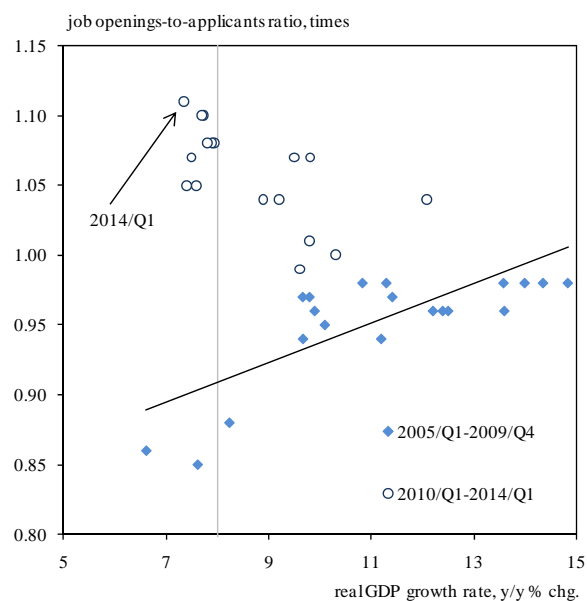
Sources: Markit (© and database right Markit Economics Ltd 2014. All rights reserved.); Thomson Reuters Datastream.

Chinese Economy

(1) Long-Term Economic Outlook ("China 2030")



(2) GDP and Employment*

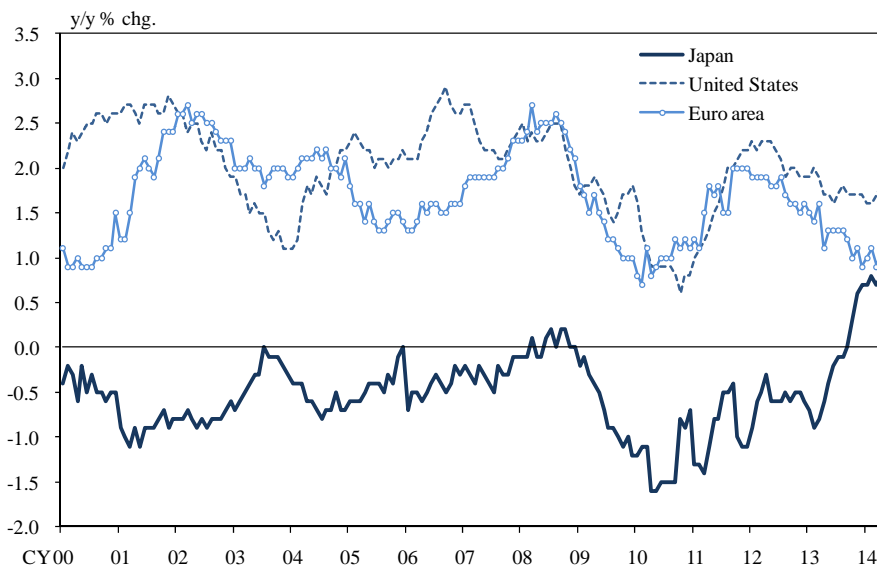


Note: Solid line is the regression line of 2005/Q1-2009/Q4 data.

Sources: The World Bank; Development Research Center of the State Council, People's Republic of China; United Nations; CEIC Data.

Inflation Rates in Major Economies

CPI Inflation Rates in Japan, the United States, and the Euro Area

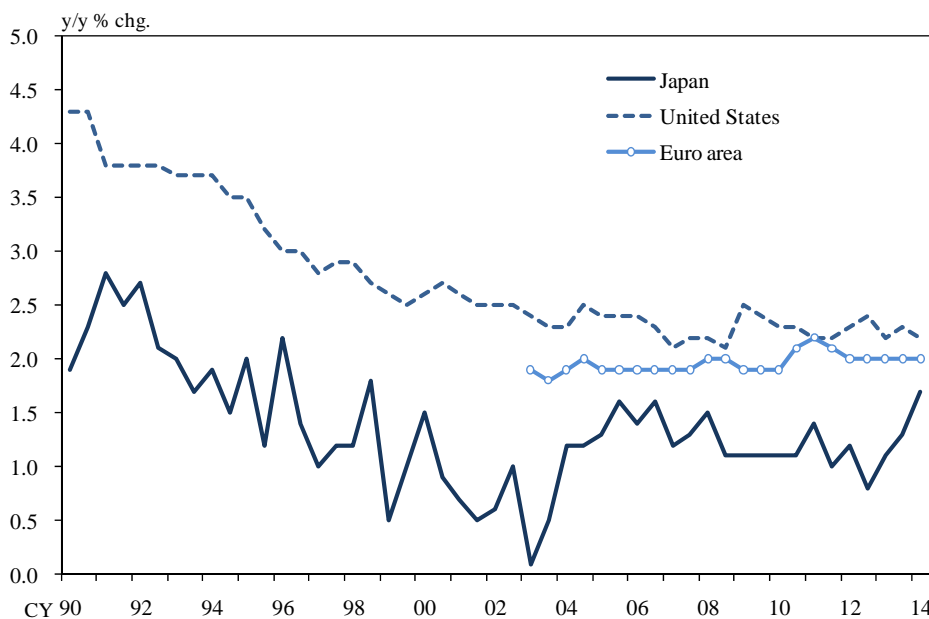


Notes: 1. Figures for the United States include all items excluding food and energy. Figures for the euro area include all items excluding energy and unprocessed food. Figures for Japan include all items less food and energy (alcoholic beverages are excluded from food).
 2. Figures for Japan for April 2014 and onward are estimated after adjusting for the direct effects of the consumption tax hike.

Sources: Ministry of Internal Affairs and Communications; Eurostat; Bloomberg.

Medium- to Long-Term Inflation Expectations in Major Economies

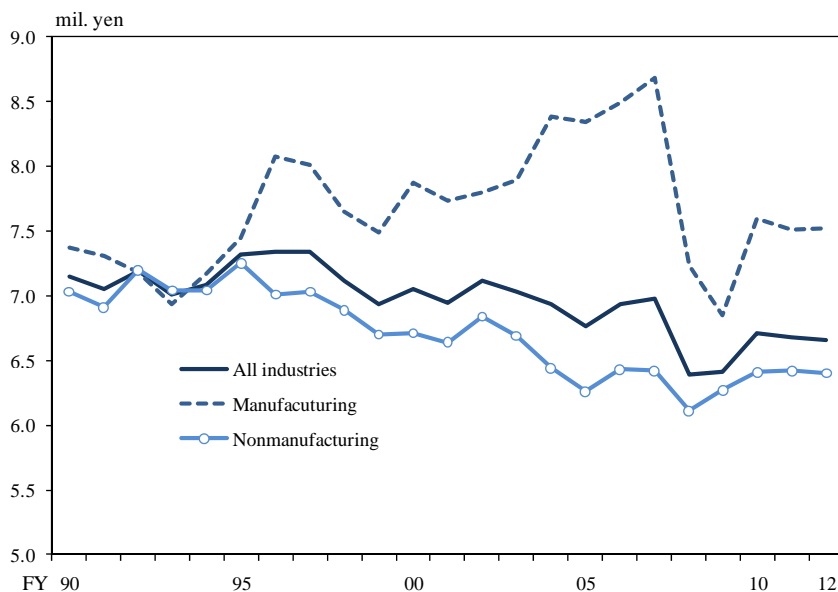
CPI Projections for 6-10 Years Ahead <Consensus Forecasts>



Note: Survey is conducted every April and October.
 Source: Consensus Economics Inc.

Labor Productivity

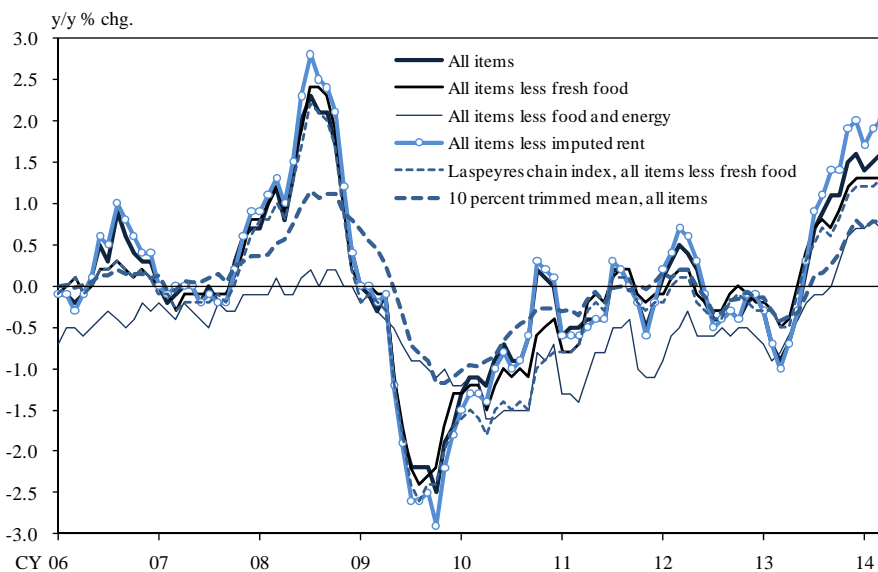
Labor Productivity of Manufacturing and Nonmanufacturing



Notes: 1. Labor productivity = (value added / number of employees) × 100
 2. All industries and nonmanufacturing exclude Finance and Insurance.
 Source: Ministry of Finance.

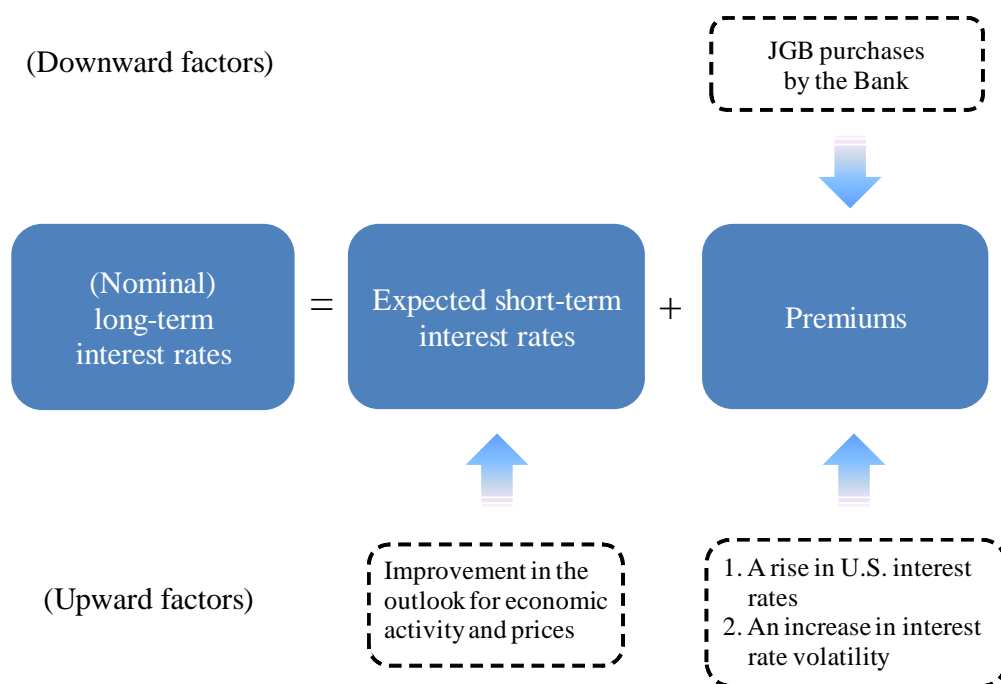
Various Consumer Price Indices

Various CPI Inflation Rates in Japan



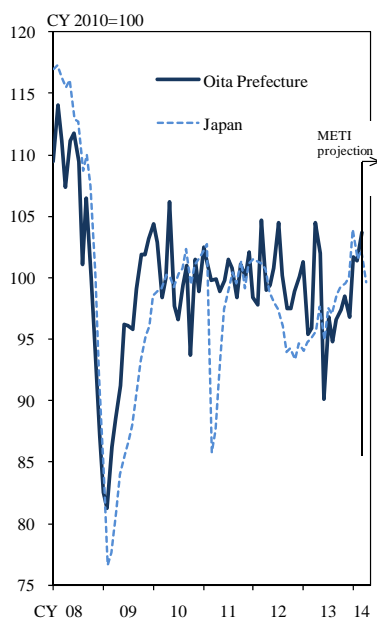
Notes: 1. Figures for April 2014 and onward are estimated after adjusting for the direct effects of the consumption tax hike.
 2. Figures for the 10 percent trimmed mean are weighted averages of items; these items are obtained by rearranging year-on-year rates of price change in ascending order and then excluding items in both the upper and lower 10 percent tails by weight.
 3. Figures for the Laspeyres chain index for 2006 are the year-on-year rates for the fixed-base method.
 Source: Ministry of Internal Affairs and Communications.

Factors Affecting Long-Term Interest Rates

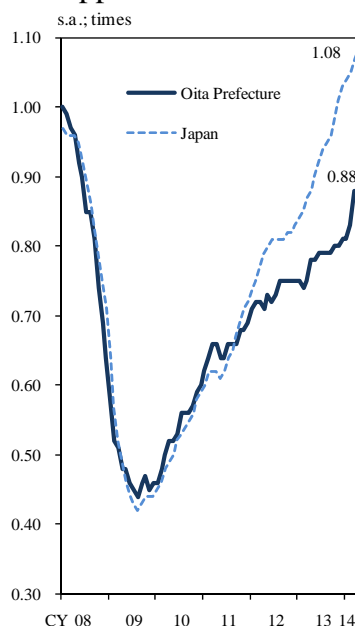


Economic Activity in Oita Prefecture

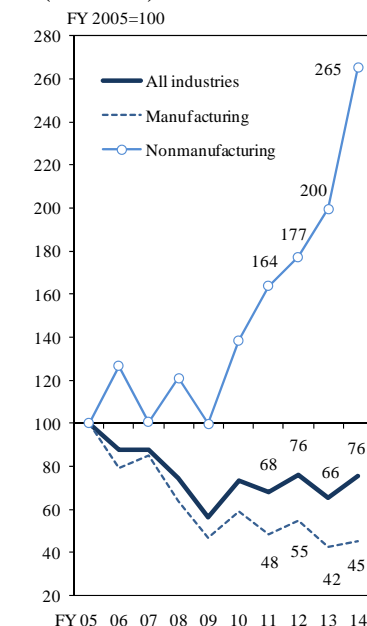
(1) Industrial Production



(2) Active Job Openings-to-Applicants Ratio



(3) Business Fixed Investment (Tankan)*



Note: Figures from fiscal 2009 onward are based on the new lease accounting standard (figures up to fiscal 2008 are based on the previous standard).
Sources: Statistics and Research Division, Oita Prefectural Government; Ministry of Economy Trade and Industry (METI); Ministry of Health, Labour and Welfare; Oita Labour Bureau; Bank of Japan.