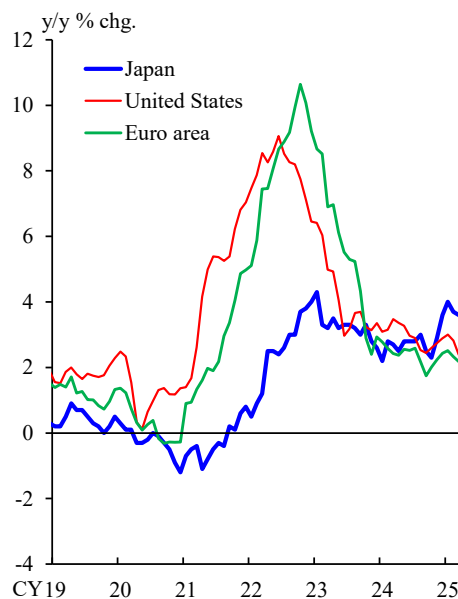
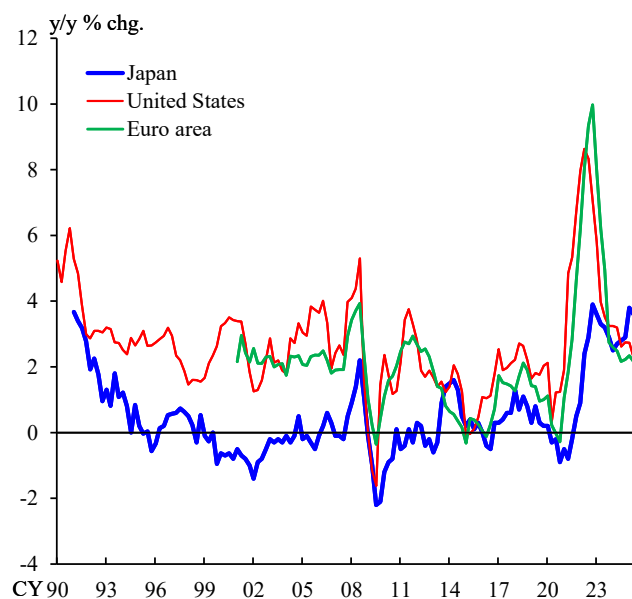


Headline Inflation

Quarterly

Monthly

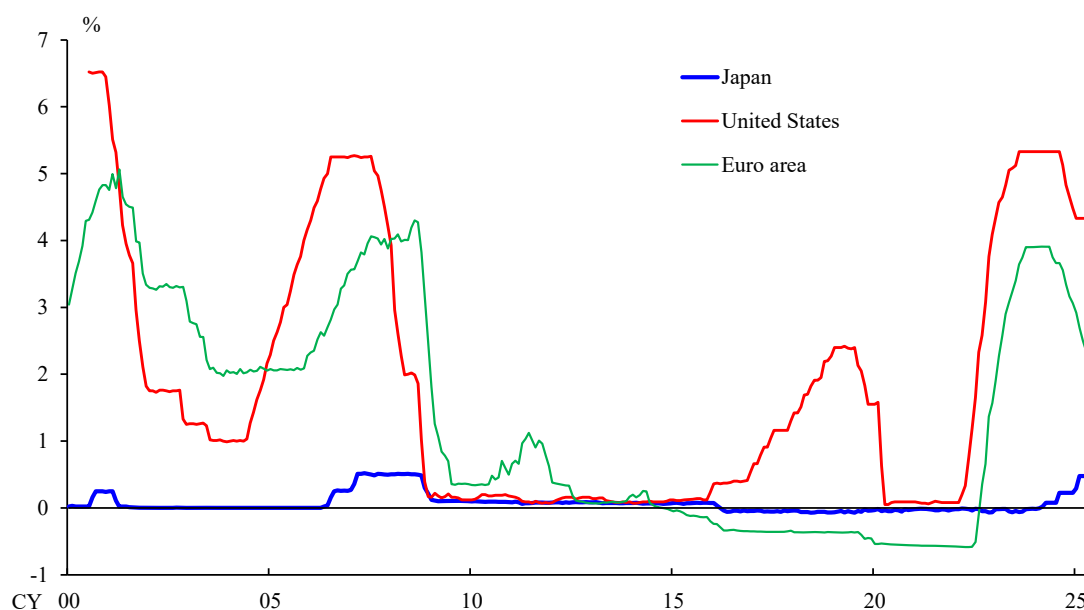


Note: Figures for Japan are CPI (all items, excluding the effects of the consumption tax hikes). Figures for the United States and the euro area are CPI (all items) and HICP (all items), respectively. Figures for 2025/Q2 are those for April.
Sources: Ministry of Internal Affairs and Communications; Haver.

1

Chart 2

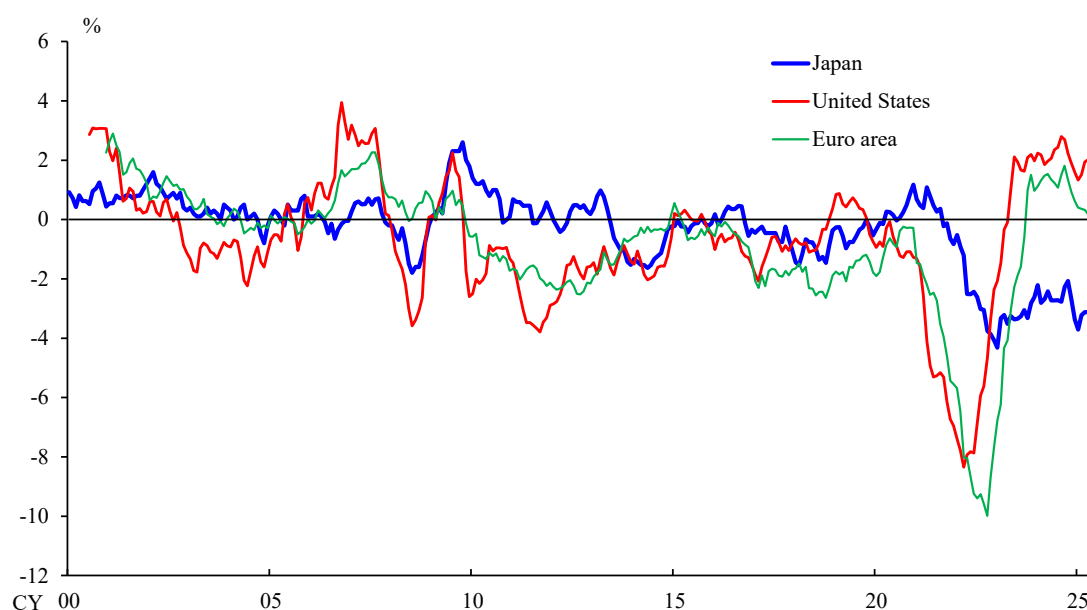
Policy Rates



Note: Figures for each economy are as follows: for Japan, the uncollateralized overnight call rate; for the United States, the effective federal funds rate; for the euro area, EONIA before 2020 and ESTR thereafter.
Sources: Bank of Japan; ECB; FRED.

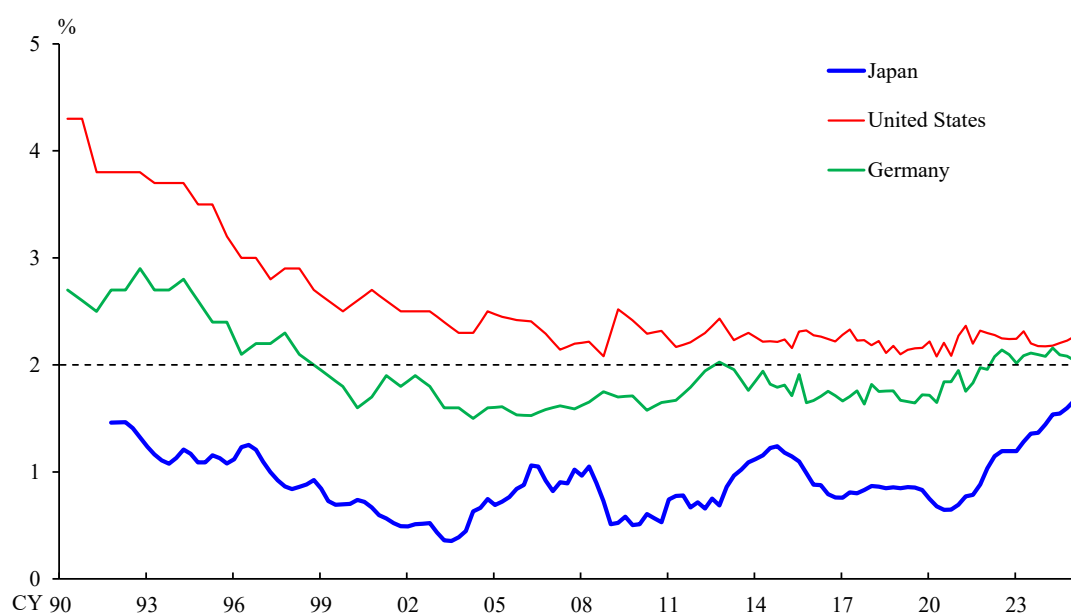
2

Real Policy Rates



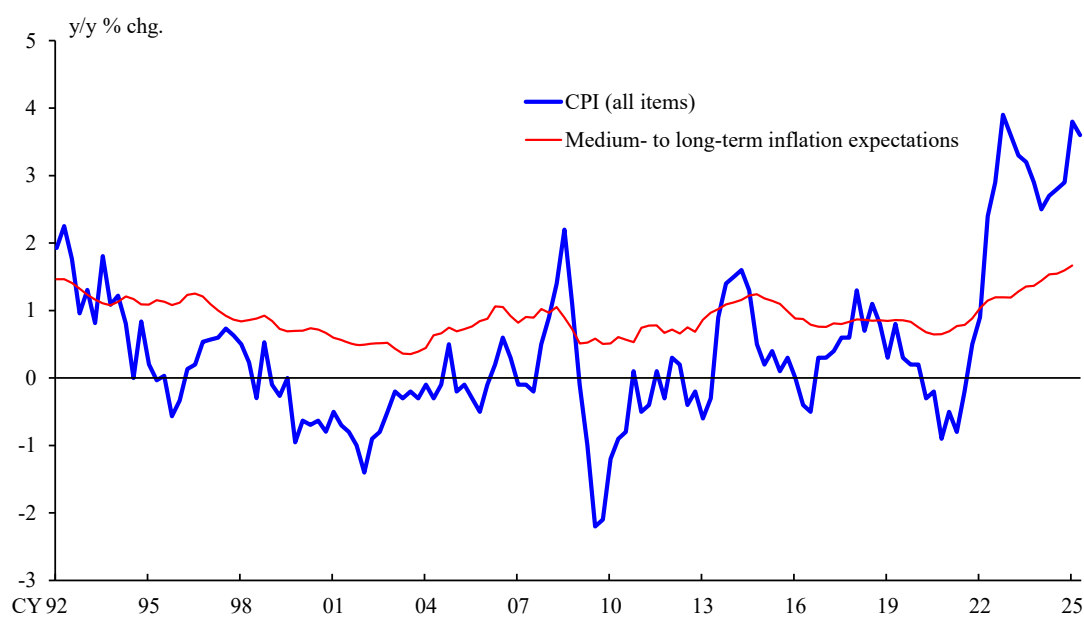
Note: Real policy rates are calculated as nominal policy rates (shown in Chart 2) minus headline inflation (shown in Chart 1).
Sources: Bank of Japan; ECB; FRED; Haver; Ministry of Internal Affairs and Communications.

Medium- to Long-term Inflation Expectations



Note: Figures for Japan are the composite index of inflation expectations (staff estimates, 10-year ahead). Figures for the United States and Germany are the forecasts in the *Consensus Forecasts* (6 to 10 years ahead).
Sources: Bloomberg; Consensus Economics Inc., "Consensus Forecasts"; QUICK, "QUICK Monthly Market Survey <Bonds>"; Bank of Japan.

Japan's Inflation and Inflation Expectations



Note: The blue line represents CPI (all items, excluding the effects of the consumption tax hikes). The red line represents the composite index of inflation expectations (staff estimates, 10-year ahead).

Sources: Bloomberg; Consensus Economics Inc., "Consensus Forecasts"; QUICK, "QUICK Monthly Market Survey <Bonds>"; Bank of Japan; Ministry of Internal Affairs and Communications.