Chart 1

Japan's Real GDP

Source: Cabinet Office, "National Accounts."

Chart 2

The Output Gap and the Tankan Composite Indicator

Note: The output gap is estimated by the Research and Statistics Department of the Bank of Japan. Figures for the Tankan composite indicator are weighted averages of the production capacity DI and employment conditions DI. The fiscal 1990-2012 averages of capital and labor shares in "National Accounts" are used as the weight.

Chart 3

**Consumer Price Index**

![Graph showing Consumer Price Index (CPI) from 1994 to 2014. The graph compares CPI (all items less fresh food) and CPI (all items less food and energy).](image)

**Note:** Excluding the effects of the consumption tax hike. Figures for 2014/Q3 are those of July-August averages.

**Source:** Ministry of Internal Affairs and Communications, "Consumer Price Index."

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Chart 4

**Medium- to Long-Term Inflation Expectations**

![Graph showing medium- to long-term inflation expectations from 2005 to 2014.](image)

**Notes:**
1. Figures are forecasts made every January, April, July, and October. Those up through April 2014 are forecasts made every April and October.
2. Figures are forecasts made every June and December. The effects of the consumption tax hikes are excluded.

**Sources:** Consensus Economics Inc., "Consensus Forecasts"; Japan Center for Economic Research, "ESP Forecast."
Chart 5

Private Consumption, Exports, and Business Fixed Investment

Source: Cabinet Office, "National Accounts."

Chart 6

Economic Activity of Manufacturing and Nonmanufacturing Firms

Note: The index of nonmanufacturing activity is calculated as the weighted average of the index of tertiary industry activity and the index of construction industry activity. Figures for 2014/Q3 are those for July.

Source: Ministry of Economy, Trade and Industry, "Indices of All Industry Activity."
Chart 7
Ratios of Current Profits to Sales of Manufacturing and Nonmanufacturing Firms


Chart 8
Employment Conditions DI

Source: Bank of Japan, "Tankan, Short-Term Economic Survey of Enterprises in Japan."
Breakdown of Number of Employees

Chart 9

Note: Figures for 2014/Q3 are those of July-August averages.

Employee Income

Chart 10

Note: In this chart, Q1 = March-May, Q2 = June-August, Q3 = September-November, Q4 = December-February. Employee income is calculated as the "number of employees" (Labour Force Survey) times "total cash earnings" (Monthly Labour Survey).
Chart 11

**Labor Force Participation Rate**

Note: The estimated trend is the weighted average of trends in labor force participation rates by gender and age in Chart 12.

Source: Ministry of Internal Affairs and Communications, "Labour Force Survey."

Chart 12

**Labor Force Participation Rates by Gender and Age**

(15-64 years)  (65-74 years)  (75 years and over)

Note: The blue thin lines are the labor force participation rates. The red bold lines are the trends calculated using the Hodrick-Prescott filter.

Source: Ministry of Internal Affairs and Communications, "Labour Force Survey."
Potential Growth and Medium- to Long-Term Inflation Expectations

Notes:
1. Figures for inflation expectations are based on the results of the Consensus Forecasts, a survey conducted on private sector forecasters.
2. The potential growth rate is estimated by the Research and Statistics Department of the Bank of Japan.

Long-Term Interest Rates, Stock Prices, and Corporate Profits

Note: Long-term interest rates are 10-year government bond yields. Stock prices of Japan and United States are the TOPIX and S&P500, respectively. Corporate profits of Japan are from "Financial Statements Statistics of Corporations by Industry, Quarterly," and those of United States are from SNA statistics. Market data include those up through October 10, 2014.