The Bank judges that sustainable and stable achievement of the price stability target of 2 percent has not yet come in sight, and thus patiently continues with monetary easing.

With extremely high uncertainties for economic activity and prices, the Bank enhances the sustainability of monetary easing by conducting YCC with greater flexibility.

### Outlook for Prices

**Inflation Expectations**

<table>
<thead>
<tr>
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<th>Market participants</th>
<th>Economists</th>
<th>Households</th>
<th>Firms</th>
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<tr>
<td>Fiscal 2023</td>
<td>+2.5</td>
<td>+3.2</td>
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<td>Forecasts made in Apr. 2023</td>
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<td>+2.5</td>
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<td>Fiscal 2024</td>
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<td>Fiscal 2025</td>
<td>+1.6</td>
<td>+1.8</td>
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<td>+1.6</td>
<td>+1.8</td>
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</tr>
</tbody>
</table>

Note: Figures indicate the medians of the Policy Board members' forecasts (point estimates).

Enhancing the sustainability of monetary easing by conducting YCC with greater flexibility

- If upside risks to Japan’s economic activity and prices materialize
  - Decline in real interest rates
  - Mitigating the effects on the functioning of bond markets, etc.

- If downside risks to Japan’s economic activity and prices materialize
  - Decline in long-term interest rates

**Previous Conduct of YCC**

- Strictly capping 10-year JGB yields by fixed-rate purchase operations
- Range of 10-year JGB yields fluctuations

**Conduct of YCC with Greater Flexibility**

- Nimbly conducting market operations
- Reference <not rigid limits>
- Range of 10-year JGB yields fluctuations

**Note:** Figures indicate the medians of the Policy Board members' forecasts (point estimates).