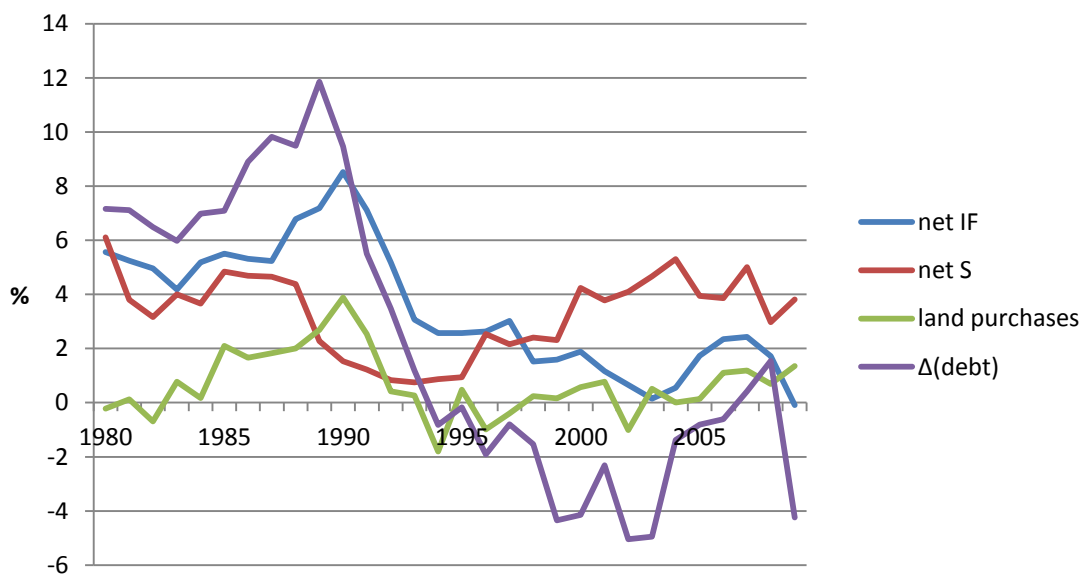
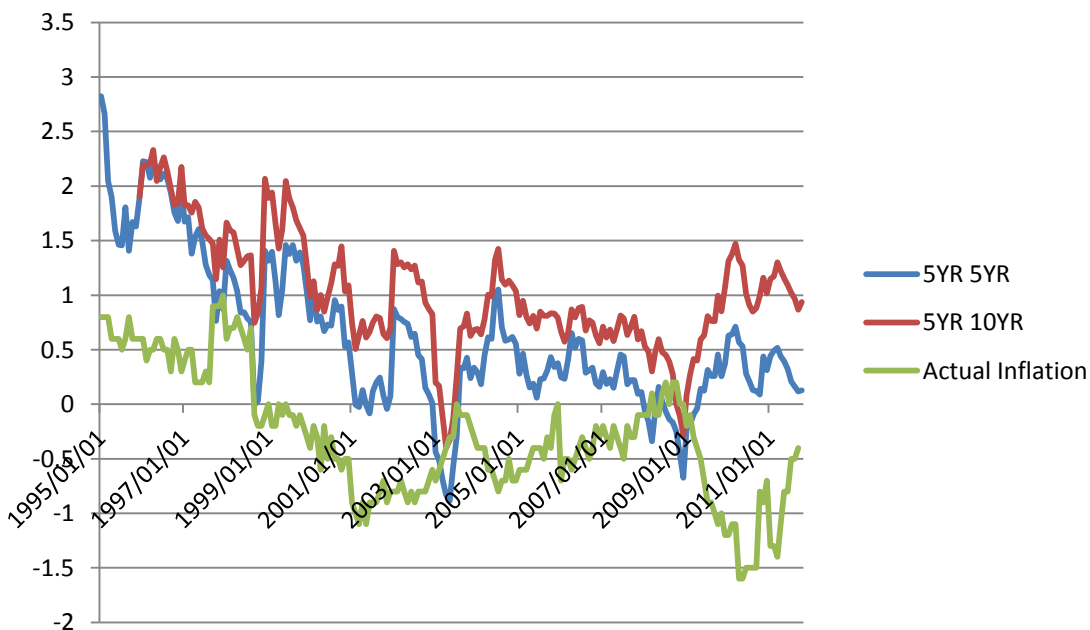


Figure A1 Deleveraging by Non-Financial Corporations



Source: Japan's National Income Accounts.

Figure A2 Inflation Expectations in Japan



Notes: 1) Inflation expectations are calculated as implied forward interest rates from the SWAP curve – growth expectations in Cabinet Office's survey. 2) 5YR 5YR uses 5 yr forward rates starting in the fifth year. 5YR 10YR uses 5 yr forward rates starting in the 10th year. Growth expectations are for the next 5 years and are assumed to be constant over the 12 months within each year.

Source: Bloomberg, Japan's Cabinet Office.