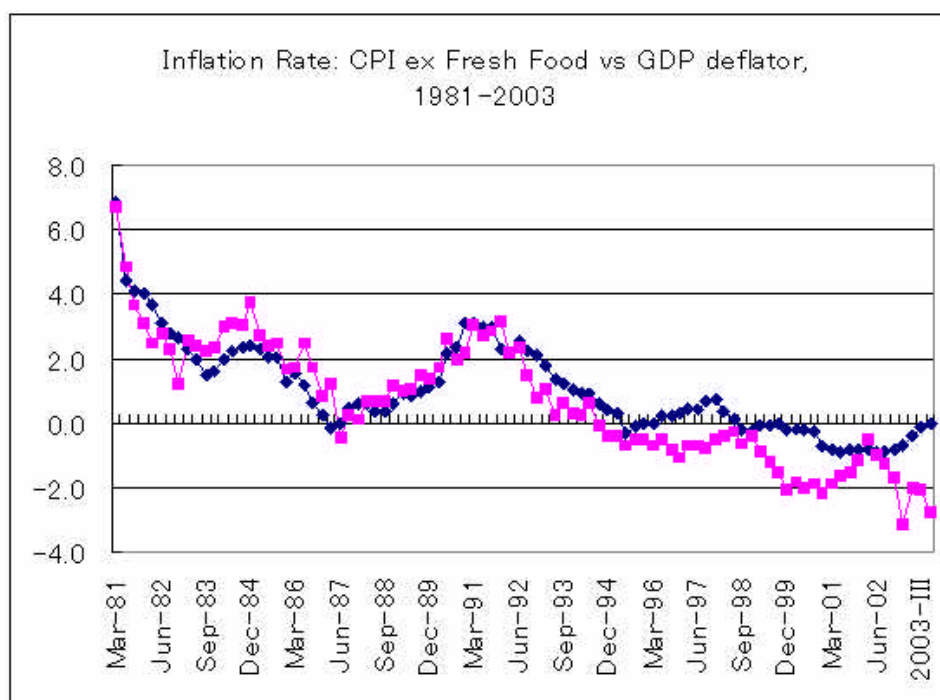
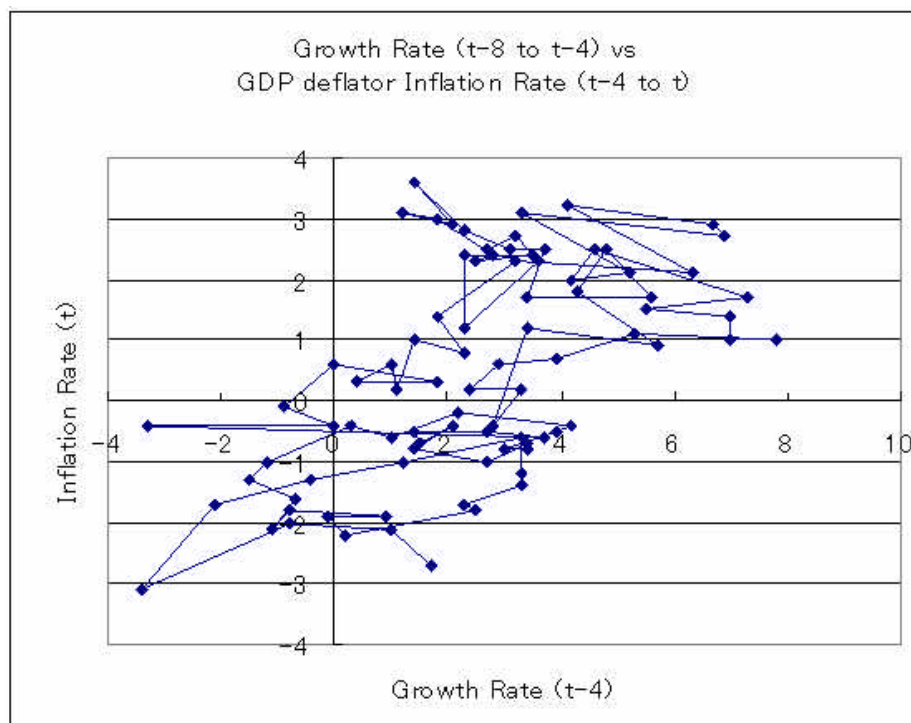


Figure 1.1. Two Inflation Rates 1981-2003. Quarterly Data



- Notes: (1) “CPI excluding Fresh Food” and “GDP deflator” inflation rates are shown.
- (2) Monthly “CPI excluding fresh food” is converted into quarterly data by taking the average of the three months.
- (3) GDP deflator is the original data before seasonal adjustment.
- (4) Inflation rate is calculated as the percentage change from the same quarter of the preceding year.
- (5) To eliminate the effects of consumption tax rate increases (0% to 3% in April 1989; and 3% to 5% in April 1997), the following adjustment is applied. Inflation rate of CPI excluding fresh food are downward adjusted by 1.9 percentage point from 1989:II to 1990: I, and by 1.6 percentage point from 1997: II to 1998:I, and inflation rate of GDP deflator are downward adjusted by 1.4 percentage point from 1989:II to 1990:I and 1.3 percentage point from 1997:II to 1989: I.

Figure 1.2. Growth rate vs Inflation Rate



Notes: (1) Growth Rate is defined by the growth rate of Quarterly GDP from the same quarter of the preceding year.

(2) GDP deflator Inflation Rate is calculated as the percentage change from the same quarter of the preceding year.

(3) To eliminate the effects of consumption tax rate increases (0% to 3% in April 1989; and 3% to 5% in April 1997), the following adjustment is applied. The inflation rate of GDP deflator are downward adjusted by 1.4 percentage point from 1989:II to 1990:I and 1.3 percentage point from 1997:II to 1998:I.

Figure 1.3: Growth rate of Japan

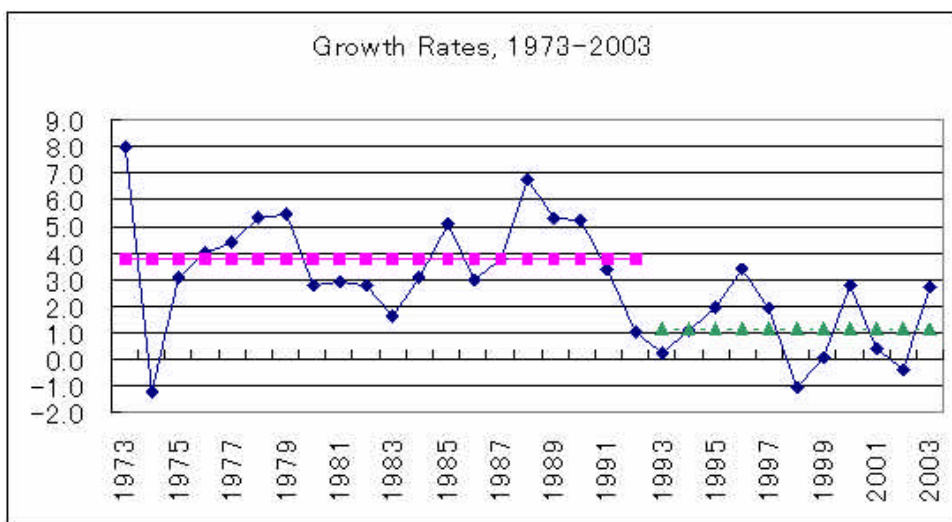


Figure 1.4. Quantitative Easing

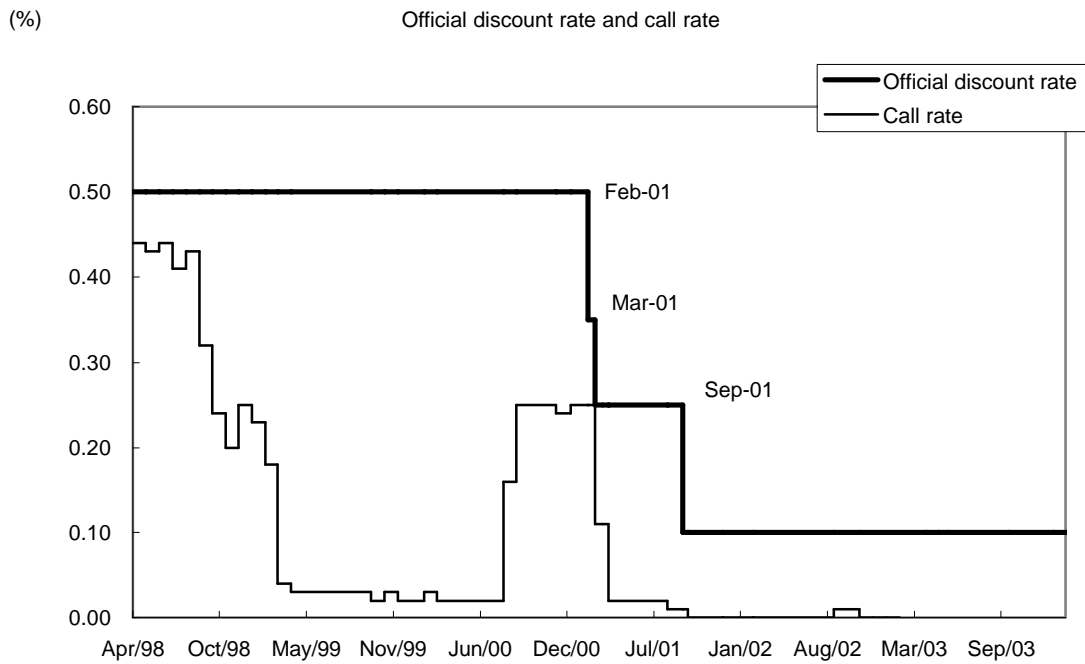
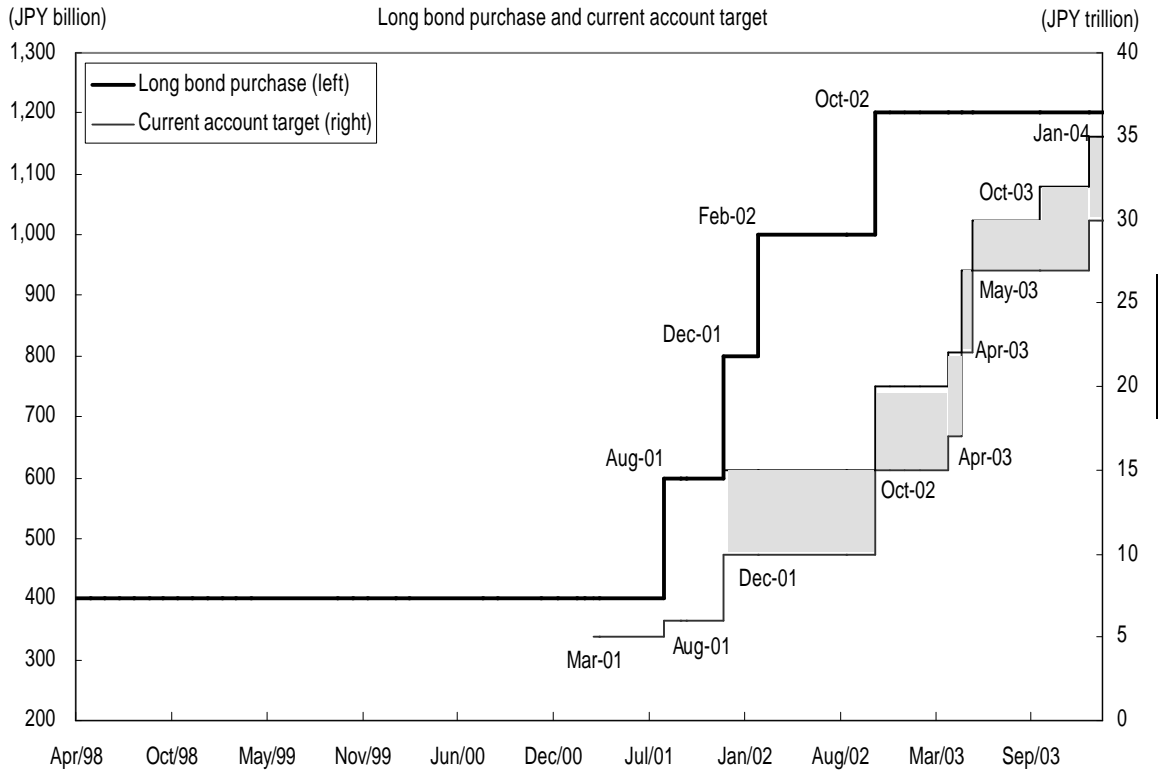


Figure 2.1 Price Level Target:  
CPI ex fresh food: Actual (1980–2003),  
hypothetical A; hypothetical B

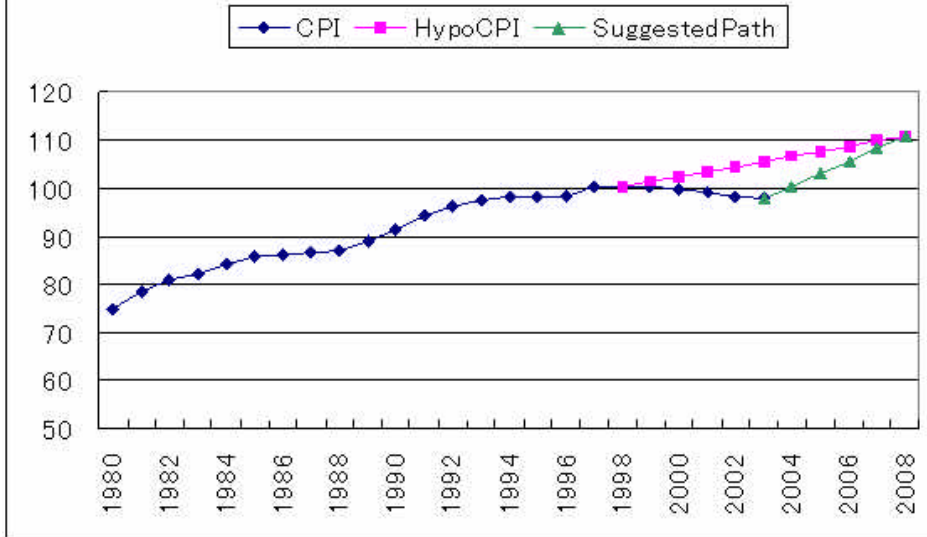


Figure 2.2. Monetary Base and M2+CD

