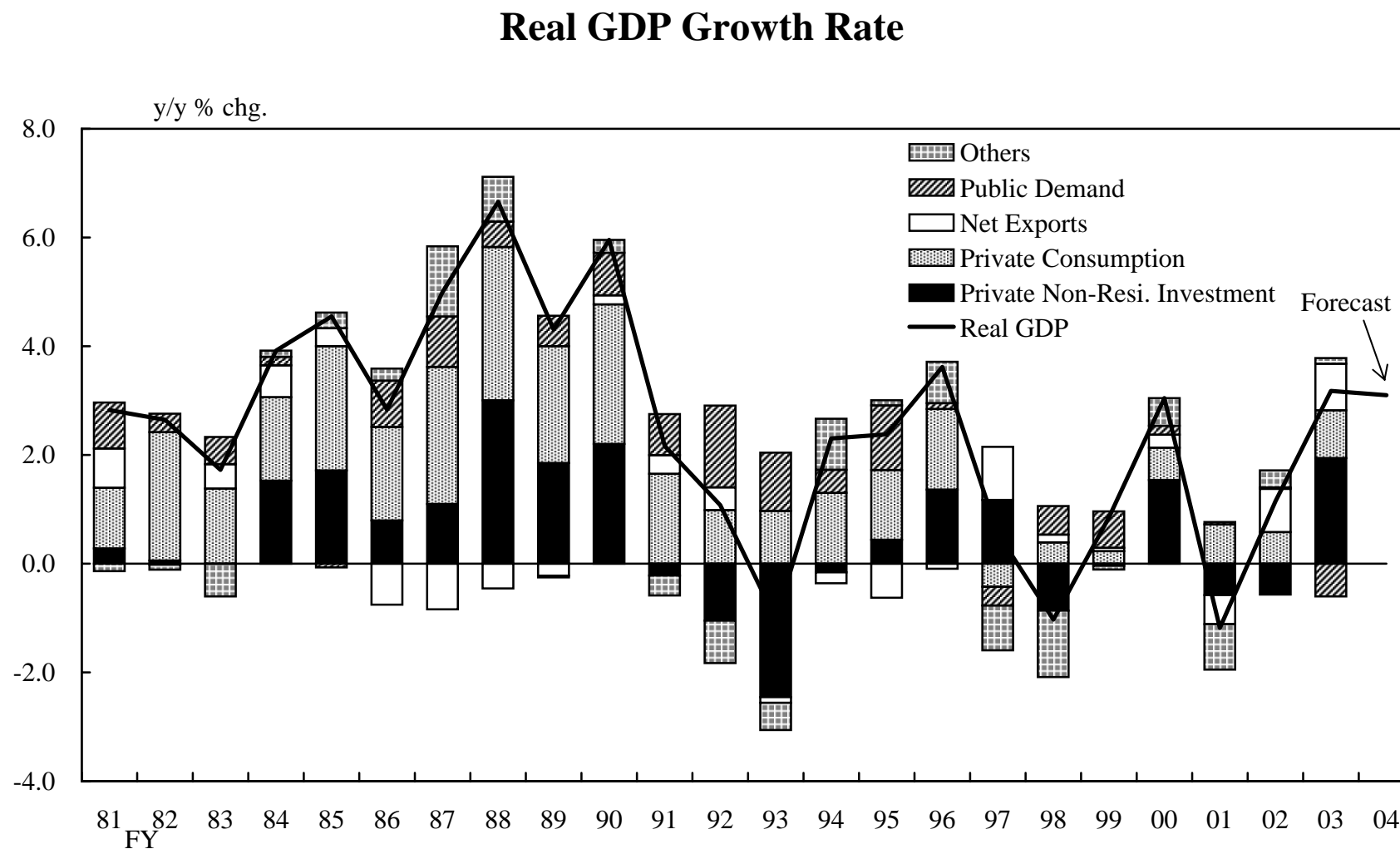


(Chart 1)

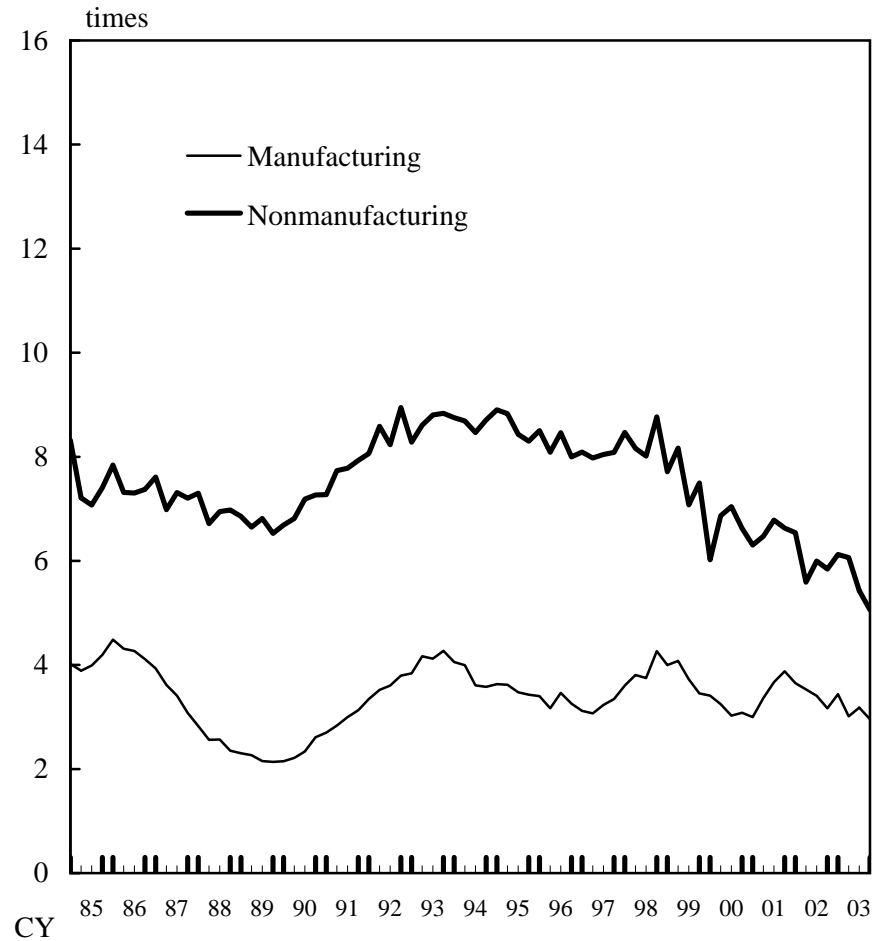


Note: Forecast for FY 2004 is the median of forecasts by the Policy Board members of the Bank of Japan.

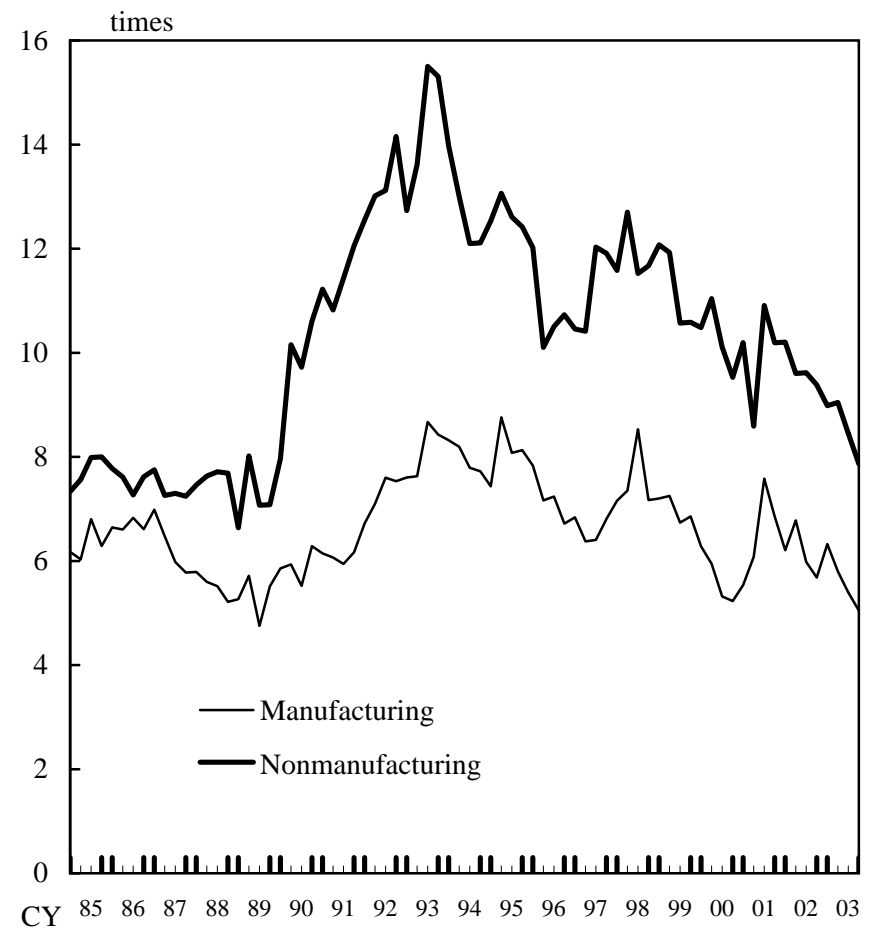
Source: Cabinet Office, "National Accounts"; Bank of Japan, "Outlook for Economic Activity and Prices (April 2004)."

Ratio of Debt to Cash Flow

1. Large firms



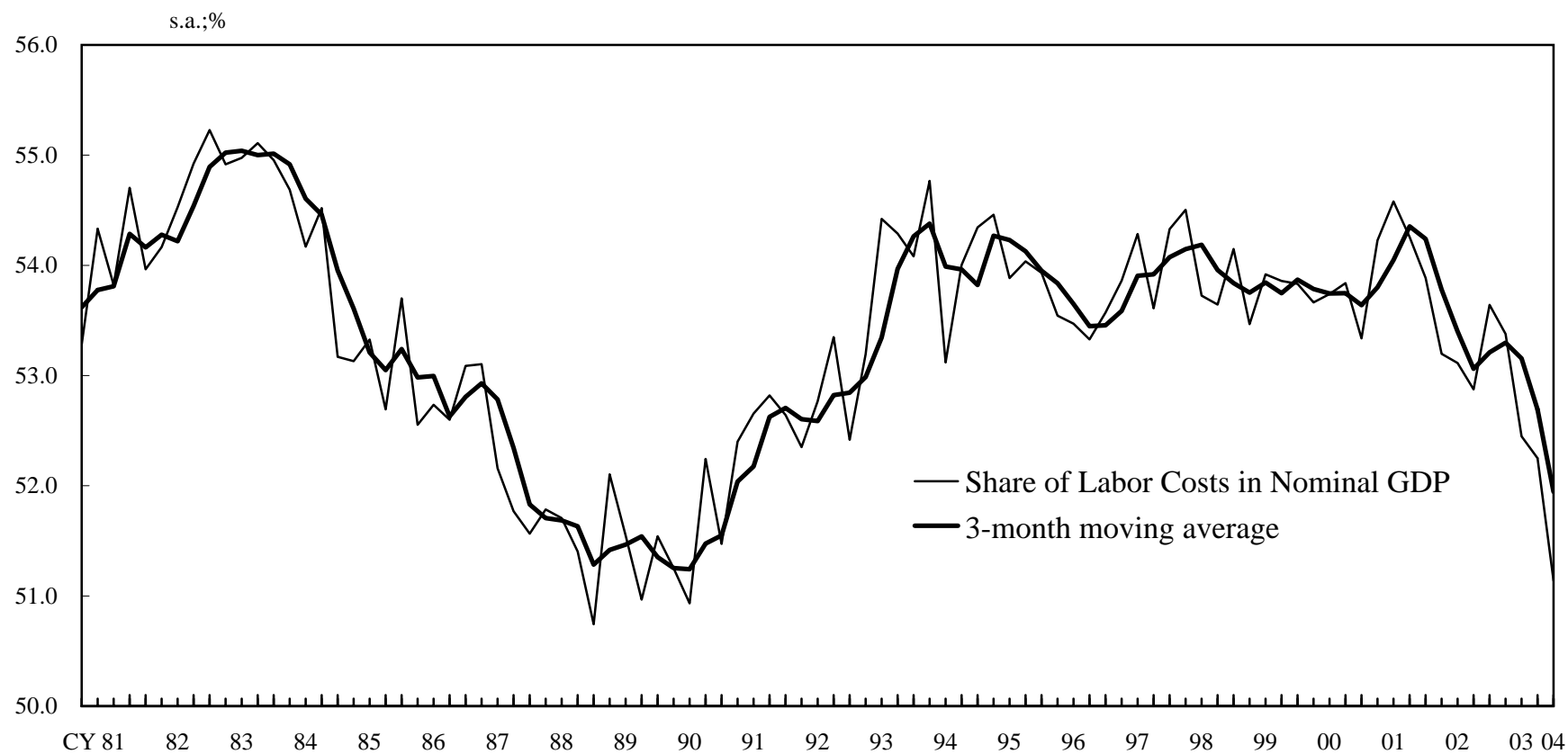
2. Small and medium-sized firms



Source: Ministry of Finance, "Financial Statements Statistics of Corporations by Industry, Quarterly."

(Chart 3)

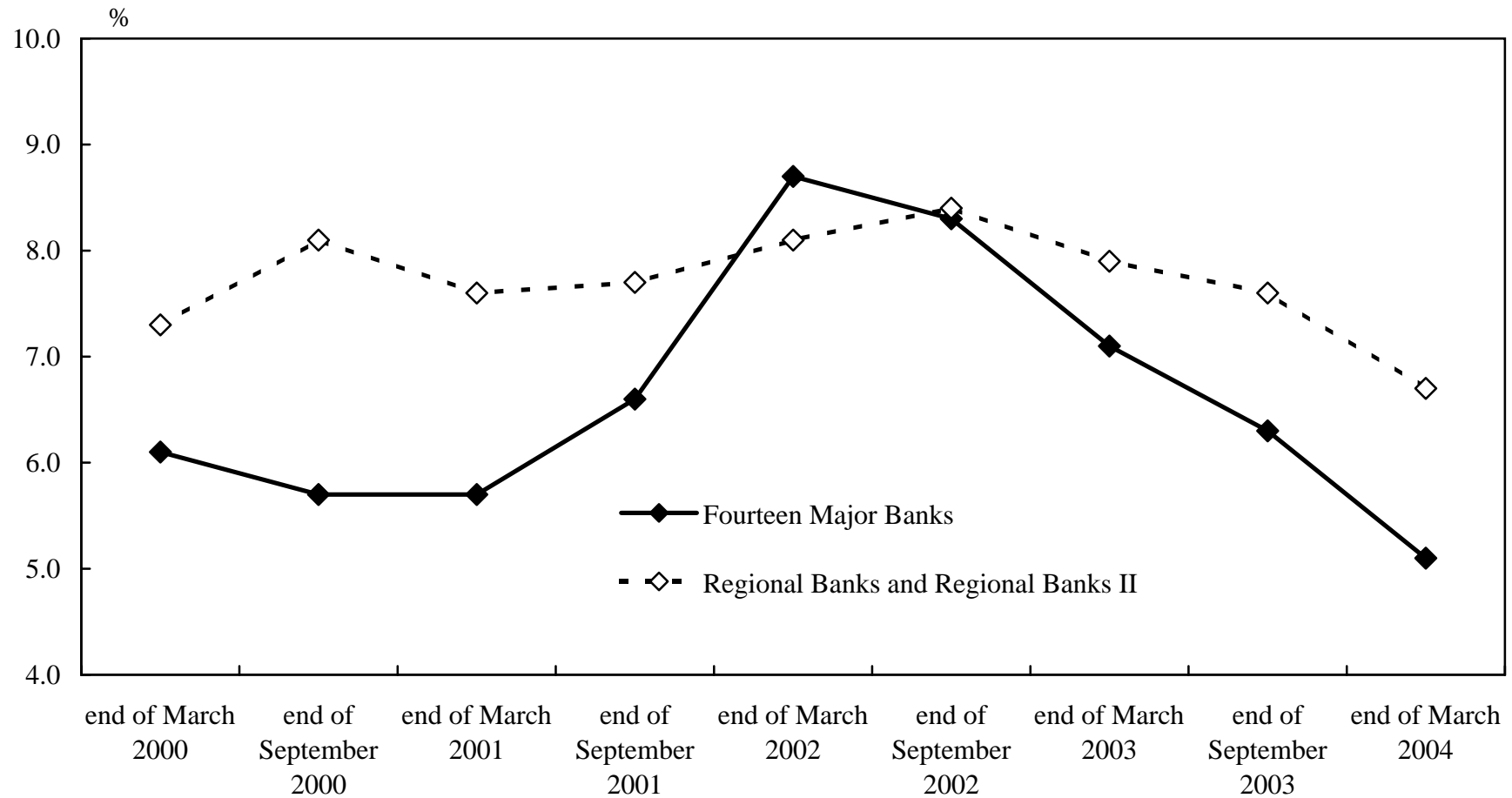
Share of Labor Costs in Nominal GDP



Note: Share of Labor Costs in Nominal GDP = Compensation of Employees/Nominal GDP.

Source: Cabinet Office, "National Accounts."

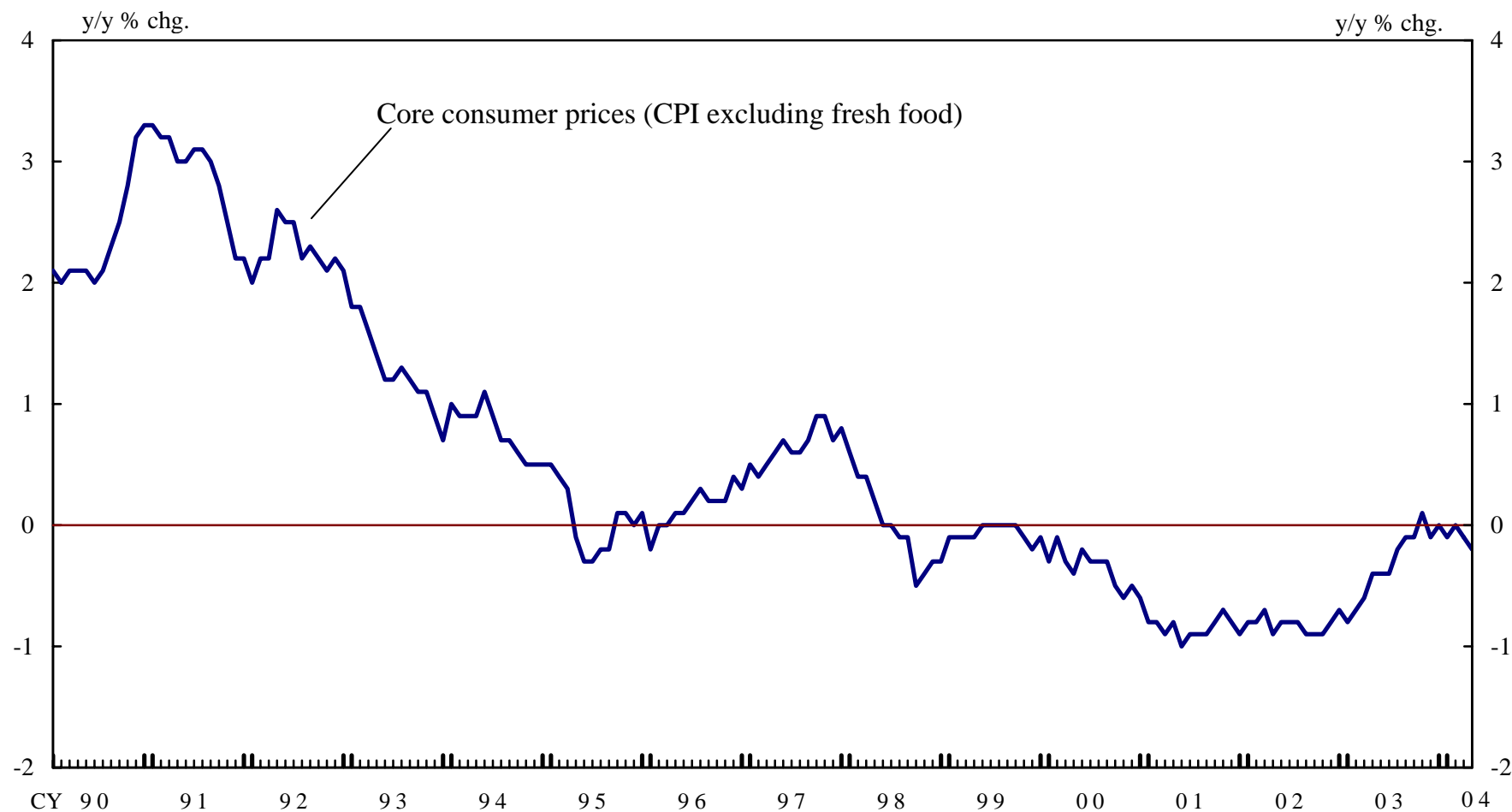
Nonperforming Loans



Note: Ratio to total credit exposure = NPLs/total credit exposure.

Source: Financial statements of banks.

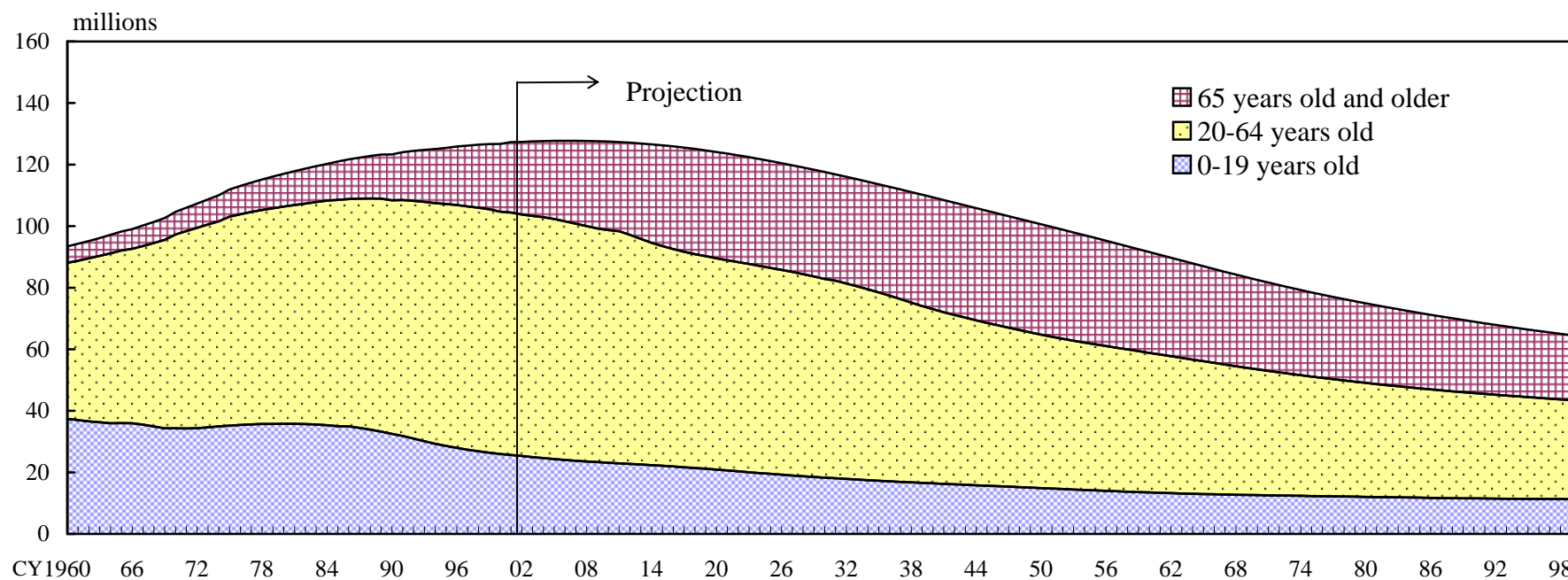
Core Consumer Prices



Notes: 1. Adjusted to exclude the effects of consumption tax changes.
2. Data up to Dec. 2000 are on the 1995 base CPI.

Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Consumer Price Index."

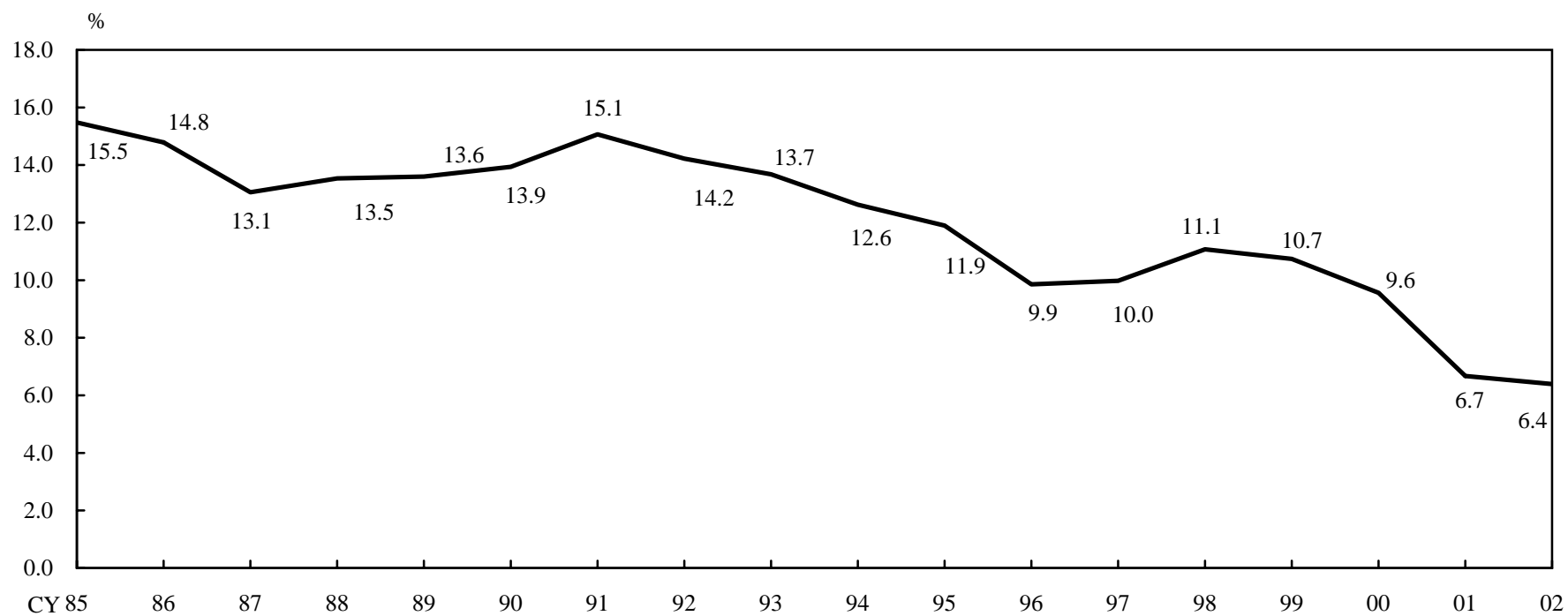
Population



Sources: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Population Estimates";
National Institute of Population and Social Security Research, "Population Projection for Japan."

(Chart 7)

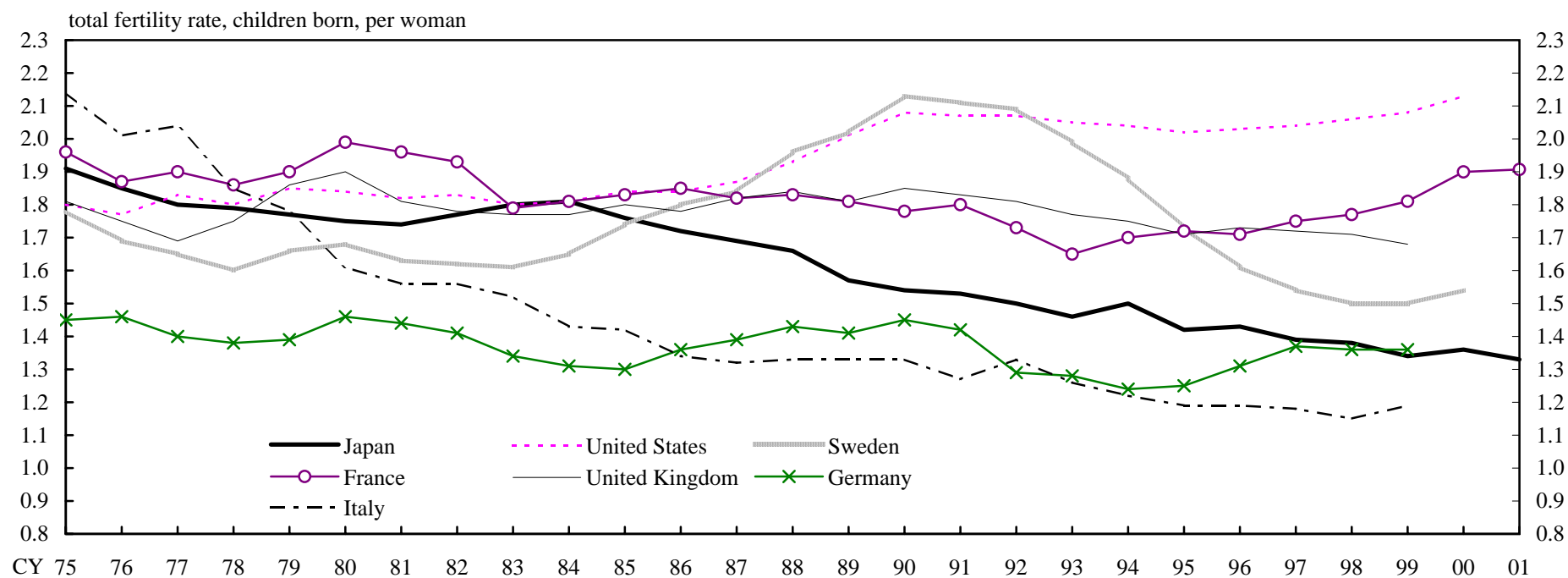
Household Savings Rate



Source: Cabinet Office, "National Accounts."

(Chart 8)

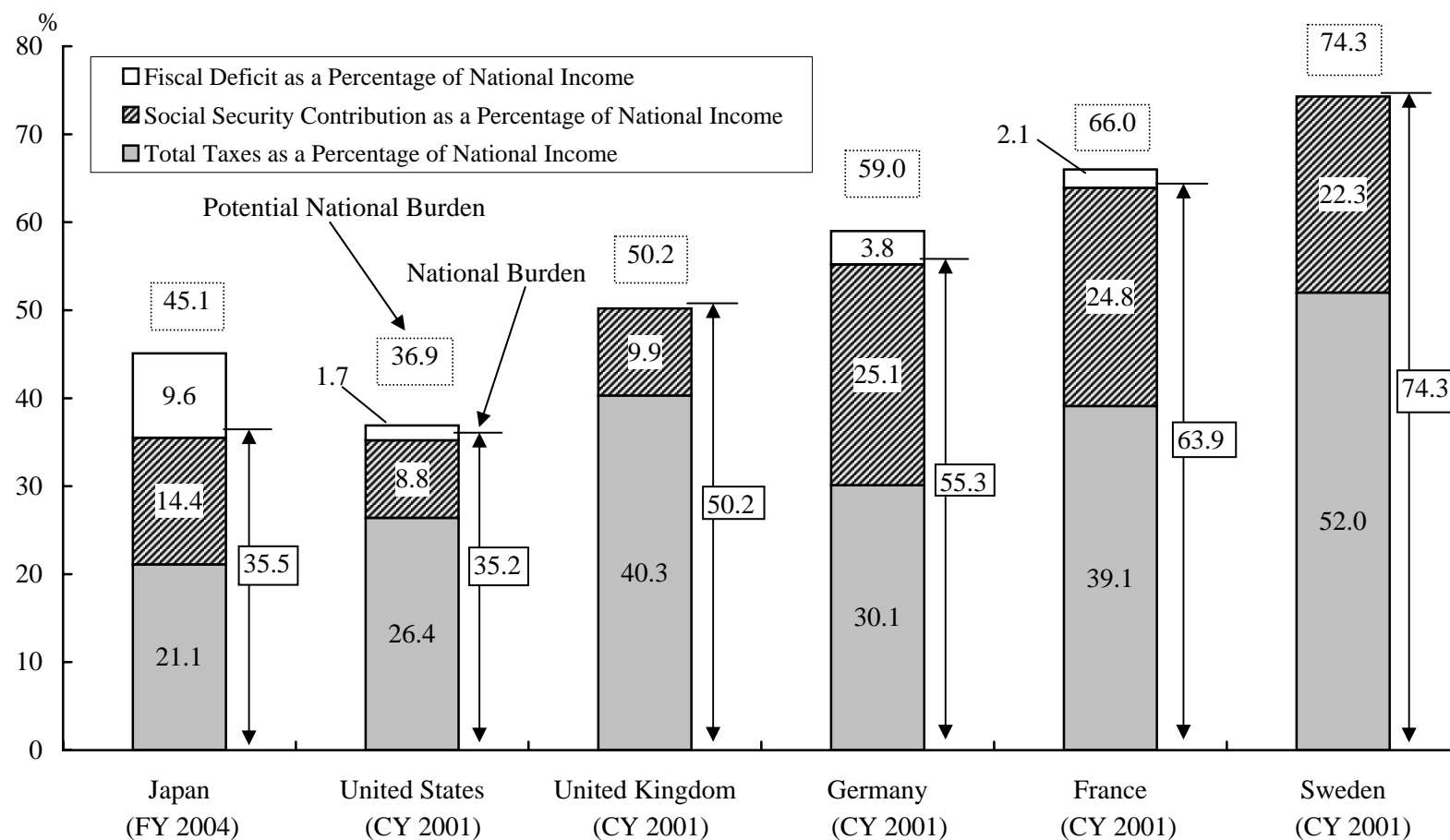
Birthrate



Source: National Institute of Population and Social Security Research,
 "Jinkou no Doukou Nihon to Sekai, Jinkou Toukei Shiryoushu 2001-2002 (Developments in Population,
 Japan and the World, Statistics on Population 2001-2002)," available in Japanese only.

(Chart 9)

National Burden



Notes: 1. Japan: based on FY 2004 forecast. Other countries: CY 2001 actual.

2. Fiscal deficit as a percentage of national income for Japan and United States, excluding social security funds. Other countries are based on general government figures.

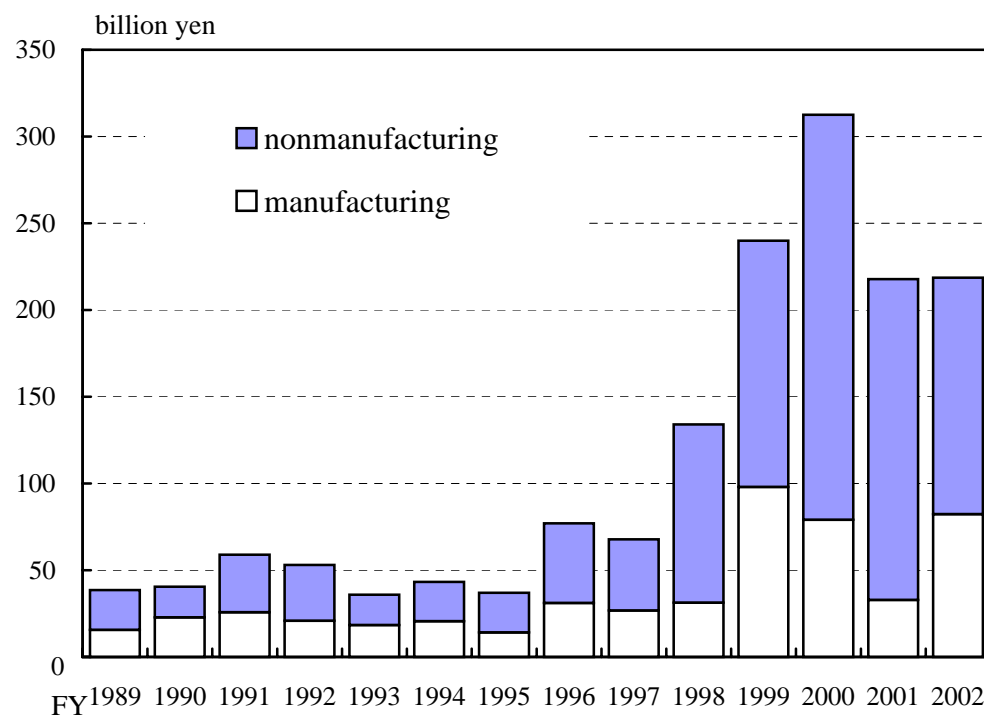
3. National burden = total taxes as a percentage of NI + social security contribution as a percentage of NI.

Potential national burden = national burden + fiscal deficit as a percentage of NI.

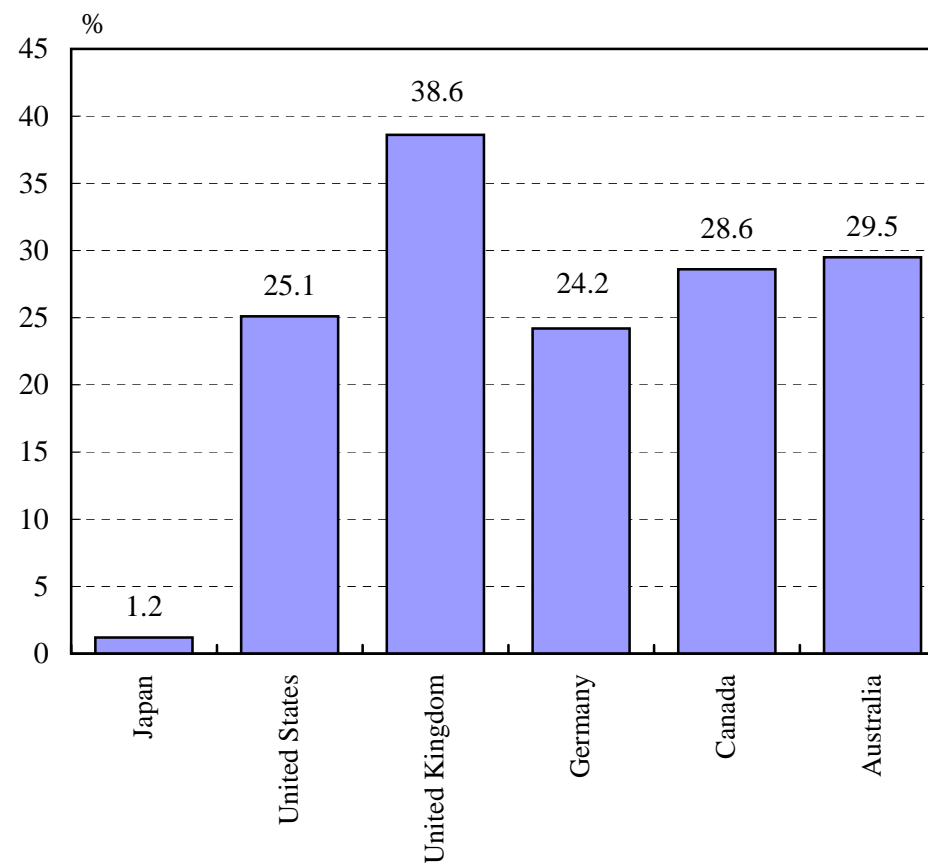
Source: Ministry of Finance, "Current Japanese Fiscal Conditions and Issues to Be Considered, 2004."

Foreign Direct Investment into Japan

(1) Inward Direct Investment



(2) The inward direct investment of major powers (stock/nominal GDP; CY 2001)



Sources: Ministry of Finance; IMF, "IFS."