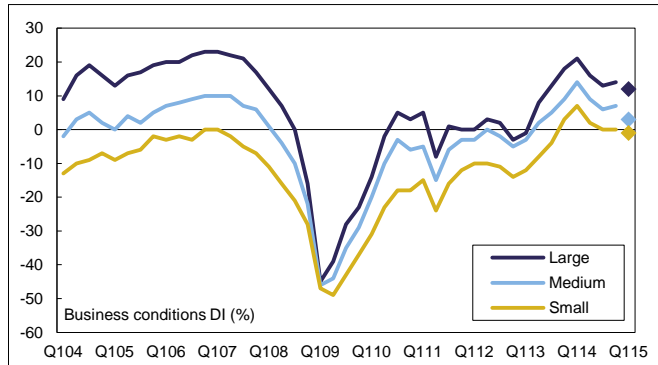


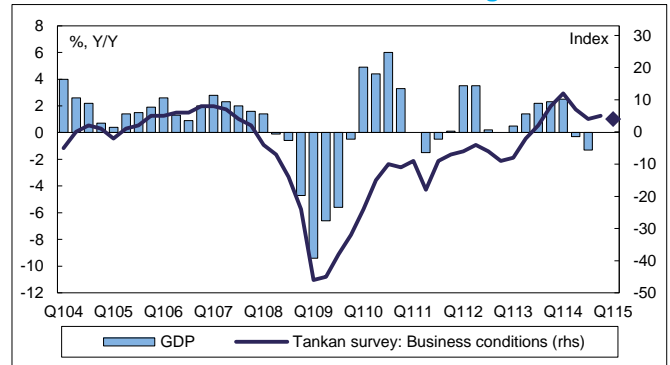
Abe: Third time lucky? Insights from the latest Tankan

Tankan: Business conditions*



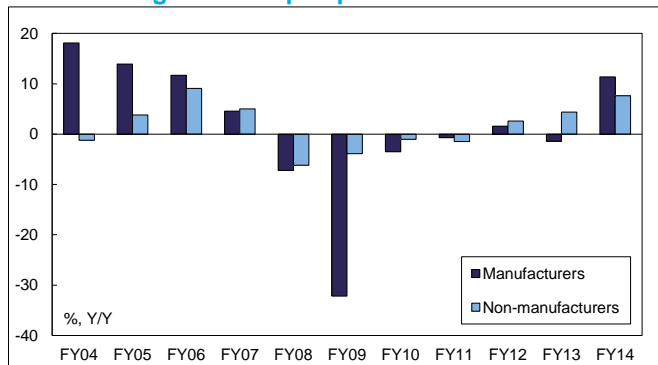
*Diamonds represent survey forecast for Q115.
Source: BoJ and Daiwa Capital Markets Europe Ltd.

Tankan: Business conditions and GDP growth *



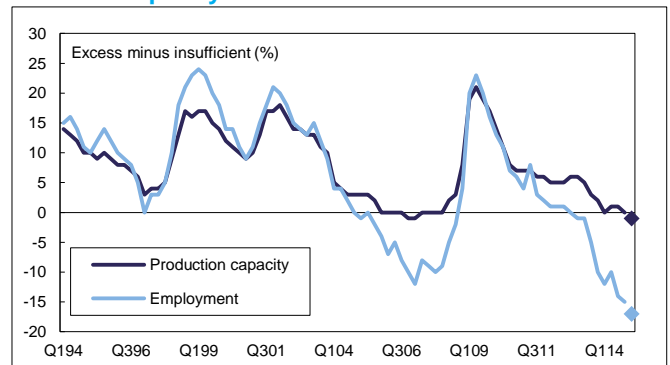
*Tankan index for all firms. Diamond represents survey forecast for Q115.
Source: BoJ, Cabinet Office and Daiwa Capital Markets Europe Ltd.

Tankan: Large firms capex plans*



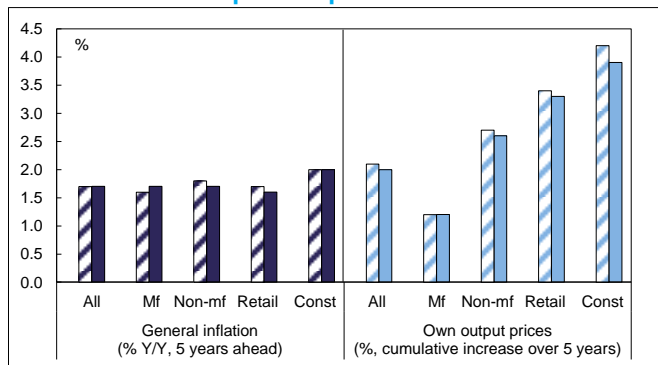
*FY14 is current projection from December 2014.
Source: BoJ and Daiwa Capital Markets Europe Ltd.

Tankan: Capacity constraints*



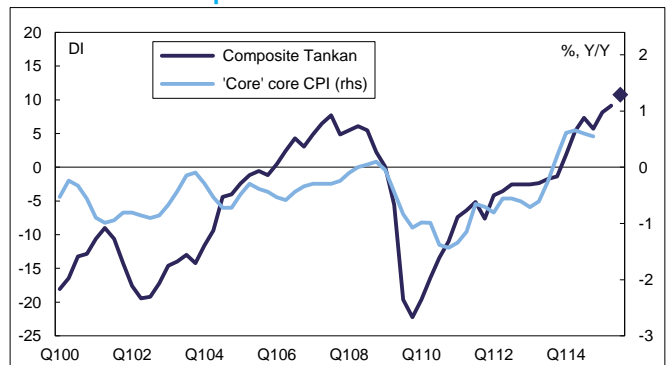
*Diamonds represent survey forecast for Q115.
Source: BoJ and Daiwa Capital Markets Europe Ltd.

Tankan: Business price expectations*



*Striped bars show September 2014 survey results. Bold bars show December 2014 survey results. Source: BoJ Tankan inflation outlook for enterprises survey and Daiwa Capital Markets Europe Ltd.

BoJ Tankan composite indicator and 'core' core CPI*



*Indicator is weighted average of the BoJ Tankan production capacity and employment conditions DIs, which has a 2-quarter lead. Diamond represents survey forecast for Q115. Core CPI excluding food and energy prices and consumption tax effect.
Source: BoJ, MIC and Daiwa Capital Markets Europe Ltd.

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