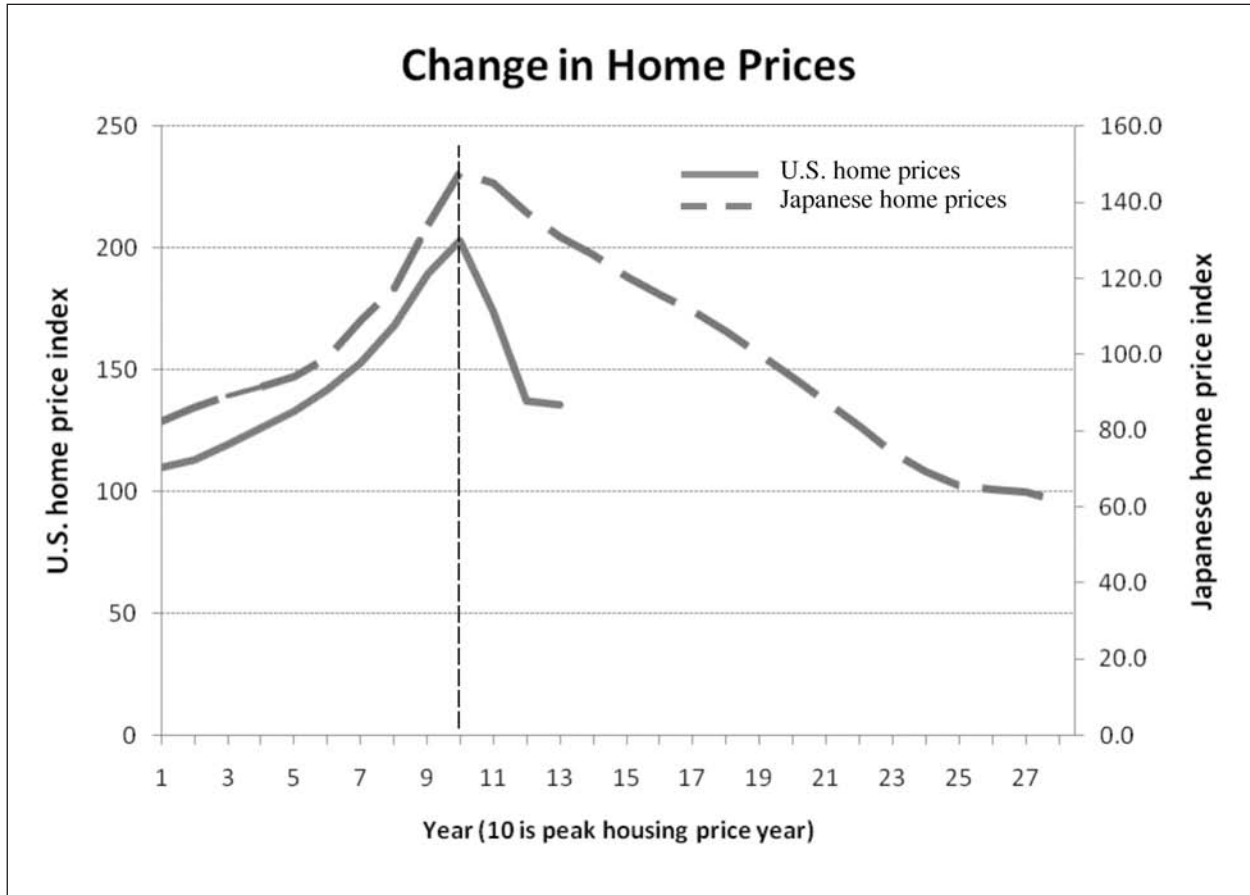


VISUAL 1
COMPARISON OF JAPAN AND U.S. HOME PRICES



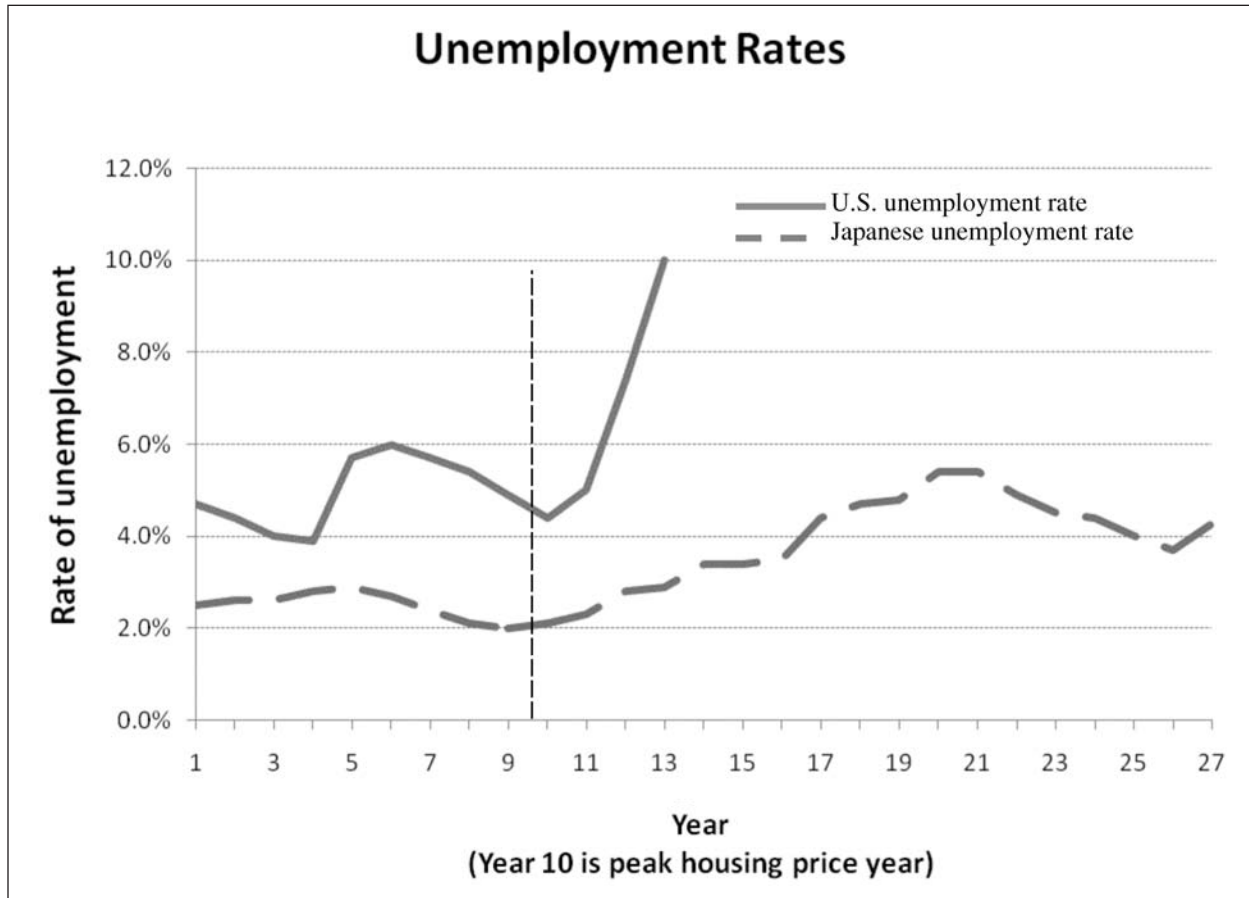
Source: Data from Case-Shiller Home Price Index, www.irrationalexuberance.com, and Bank of Japan, www.boj.or.jp/en

VISUAL 2
COMPARISON OF JAPAN AND U.S. REAL GDP GROWTH RATES



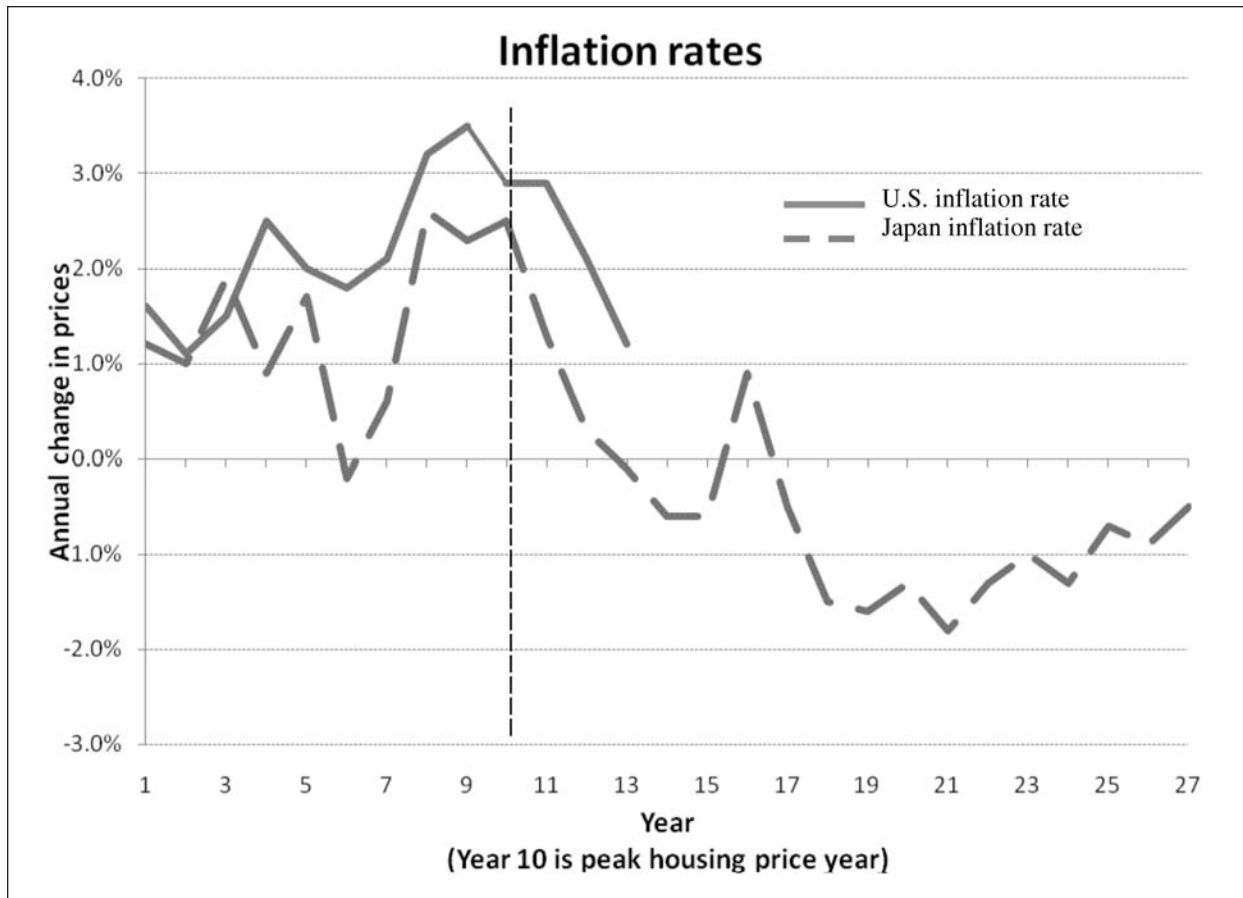
Source: Data from the Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov, and Bank of Japan, www.boj.or.jp/en

VISUAL 3
COMPARISON OF JAPAN AND U.S. UNEMPLOYMENT RATES



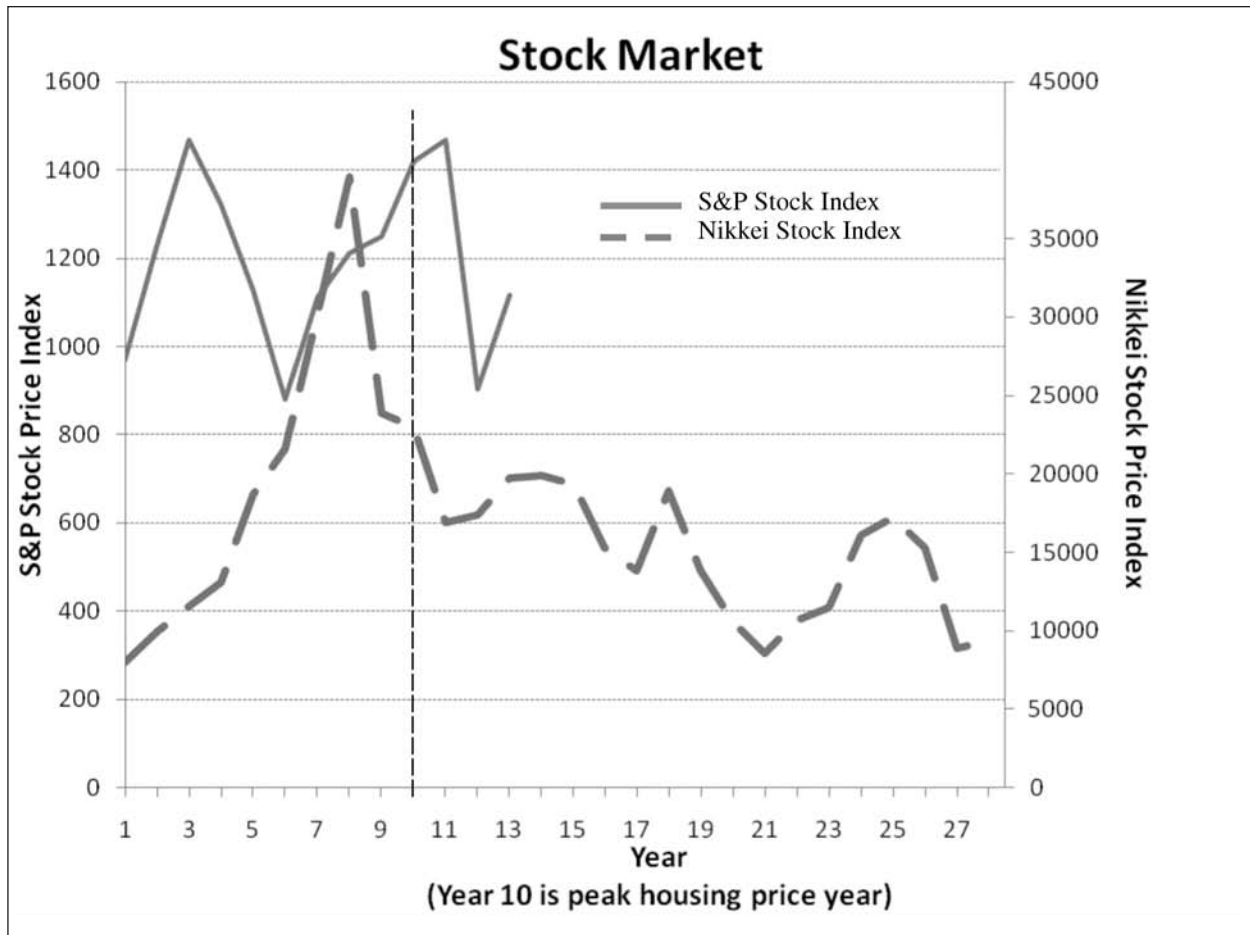
Source: Data from Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov, and Bank of Japan, www.boj.or.jp/en

VISUAL 4
COMPARISON OF JAPAN AND U.S. INFLATION RATES



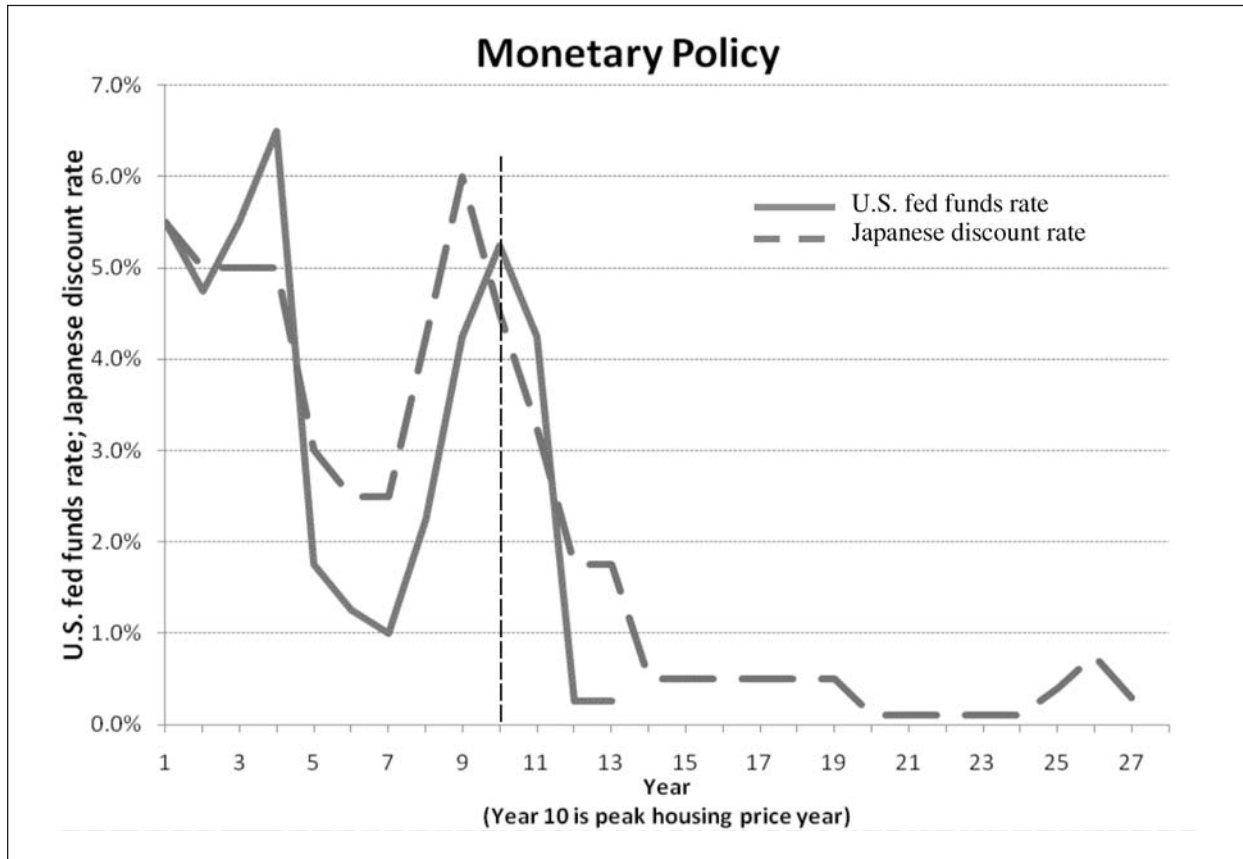
Source: Data from Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov, and Bank of Japan, www.boj.or.jp/en

VISUAL 5
COMPARISON OF JAPAN AND U.S. STOCK MARKETS



Source: Data from the Board of Governors of the Federal Reserve System, www.federalreserve.gov, and Bank of Japan, www.boj.or.jp/en

VISUAL 6
COMPARISON OF JAPAN AND U.S. MONETARY POLICIES



Source: Data from the Board of Governors of the Federal Reserve System, www.federalreserve.gov, and Bank of Japan, www.boj.or.jp/en

VISUAL 7

COMPARISON OF GOVERNMENT INTERVENTIONS IN THE JAPAN AND UNITED STATES FINANCIAL CRISES

Japan			United States		
Date	Months from peak	Event	Date	Months from peak	Event
1991	-	Land prices reach peak	2006	-	Home prices reach peak
7/1991	9	First cut in discount rate	9/2007	7	First cut in fed funds rate
8/1992	22	First stimulus (additional stimulus packages in '93, '94, '95, '98 and '99)	2/2008	12	Bush signs Economic Stimulus Act
11/1997	85	Four major financial institutions fail	9/2008	19	Government takes control of Fannie Mae and Freddie Mac. Lehman Brothers bankruptcy. AIG bailout
3/1998	89	Government injects 1.8 trillion yen (equal to \$13.5 billion U.S. dollars; less than 0.5% of Japan's GDP) into banks. (secondary injection in 3/99)	10/2008	20	Troubled Asset Relief Program (TARP) – purchase of stock in major banks \$700 billion (equal to 70 trillion yen; almost 5 percent of U.S. GDP)
2/1999	100	Discount rate approaches zero	12/2008	22	Federal funds target rate of 0 to .25
			2/2009	24	\$787 billion stimulus package

Source: Adapted from chart 1, www.boj.or.jp/en/type/press/koen07/ko0905a.htm