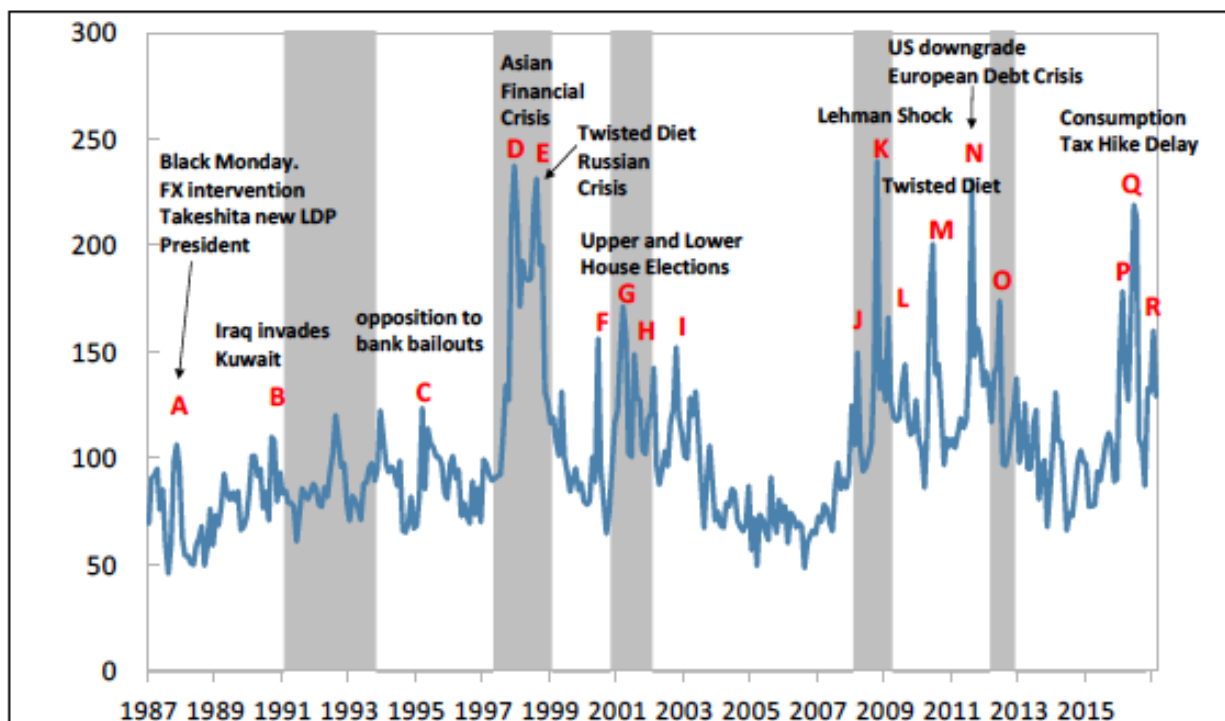


Japan Economic Policy Uncertainty Index, January 1987 to February 2017



Source: "Policy Uncertainty in Japan," 2017 by Elif C. Arbatli, Steven J. Davis, Arata Ito, Naoko Miake and Ikuo Saito.

Annotation Detail: A, October 1987: Black Monday. PM Nakasone picks Takeshita as next LDP President. Budget conflicts between President Reagan and Congress. B, September 1990: Iraq invades Kuwait. C, March 1995: Bailout plans for two Shinkin banks in Tokyo face objection at metropolitan congress. Yen surges despite FX intervention. D, November-December 1997: Asian Financial Crisis and policy debates about fiscal consolidation. E, July-August 1998: LDP's defeat in Upper House election yields Twisted Diet. Russian crisis. F, June 2000: Lower House election. G, March 2001: Introduction of Quantitative Easing. Political confusion over PM Mori's resignation. H, July 2001: Upper House election. I, October 2002: Takenaka's plan to tackle non-performing bank loans. Introduction of Financial Revitalization Program. Stimulus debate. Expansion of QE. J, March 2008: DPJ rejects BOJ Governor nominations. K, September-October 2008: Lehman Brothers failure. BOJ cuts policy rate. Stimulus debate. L, February 2009: Concerns over delay in passing US stimulus package. "Buy American" provisions in Congress. M, May-June 2010: European debt crisis. PM Hatoyama's resignation. Inauguration of PM Kan's cabinet. N, August 2011: U.S. debt-ceiling conflict. Concerns over European debt crisis. Enhancement of monetary easing. Japan FX intervention. O, June 2012: Greek parliamentary re-election. Concerns over Spain's financial system. Tri-party agreement on taxes and social security. P, January-February 2016: Introduction of negative interest rates. Q, May-June 2016: Consumption tax hike delay. Brexit. R, November 2016-January 2017: US Presidential election, worries about ratification of TPP in the US.

Note: Shaded areas indicate recession periods.