

Japan's Economic Pulse: Inflation, Trade Surpluses, and Corporate Fortunes

Japan Finance · Answer Key · 17 Questions

1. In April 2026, Japan's annual inflation rate edged down to what percentage, reflecting a slowdown in price increases?

- A) 1.4%**
- B) 2.1%
- C) 0.9%
- D) 3.5%

2. What was the approximate surplus in Japan's trade balance in April 2026, surprising analysts who had forecast a deficit?

- A) ¥301.9 billion**
- B) ¥100.5 billion
- C) ¥50.2 billion
- D) ¥450.0 billion

3. Which sector's exports significantly contributed to Japan's strong trade performance in April 2026, with a notable increase of 44%?

- A) Semiconductors**
- B) Automobiles
- C) Textiles
- D) Machinery

4. According to SMBC Nikko Securities, what was the record combined net profit for Japanese listed companies in fiscal year 2025?

- A) ¥54.7 trillion**
- B) ¥30.1 trillion
- C) ¥75.5 trillion
- D) ¥10.2 trillion

5. Which of the following was a key factor contributing to the strong earnings of Japanese companies in fiscal year 2025, as reported by SMBC Nikko Securities?

- A) Strong demand for AI and data center-related companies, and higher interest rates benefiting banks.**
- B) A surge in automobile exports due to relaxed international trade policies.
- C) Increased demand for traditional manufacturing goods in emerging markets.
- D) A significant decline in energy prices reducing operational costs.

6. In March 2024, the Bank of Japan raised its policy interest rate for the first time in 17 years. What was the new policy rate range?

- A) 0% to 0.1%**
- B) -0.1% to 0%
- C) 0.25% to 0.35%
- D) 1.0% to 1.1%

7. As of April 2026, what was the core inflation rate in Japan, as measured by a new central bank gauge, indicating intensifying inflationary pressures?

- A) 2.8%**
- B) 1.4%
- C) 0.5%
- D) 3.5%

8. Japan's trade balance in April 2026 benefited from a sharp drop in the import value of which key commodity due to geopolitical tensions?

- A) Crude oil**
- B) Rice
- C) Semiconductor components
- D) Automobiles

9. Which of the following Japanese companies recently reported a record net profit exceeding ¥5 trillion for fiscal year 2025, marking a historic first for a Japanese firm?

- A) SoftBank Group**
- B) Toyota Motor Corporation
- C) Sony Group
- D) Panasonic Holdings

10. Rapidus, a Japanese semiconductor initiative, has a plan to mass-produce 2-nanometer logic chips by what year, with significant government funding?

- A) 2027**
- B) 2025
- C) 2030
- D) 2032

11. In April 2026, Japan's core consumer price index (excluding fresh food) rose by what percentage year-on-year, according to Trading Economics?

- A) 1.40%**
- B) 0.50%
- C) 2.50%
- D) 3.00%

12. What was the total value of Japan's inward Foreign Direct Investment (FDI) stock at the end of 2024, reaching a new record high?

- A) ¥53.3 trillion**
- B) ¥25.0 trillion
- C) ¥100.0 trillion
- D) ¥75.2 trillion

13. In fiscal year 2025, Japanese listed companies saw profits boosted by strong performance in semiconductor and AI-related sectors, as well as by which other industry benefiting from higher interest rates?

- A) Banks**
- B) Automobile manufacturers
- C) Retailers
- D) Energy companies

14. What was the approximate size of the stimulus package approved by Japan's Cabinet in November 2025 to help spur the economy and relieve the impact of higher prices?

- A) ¥21.3 trillion (\$135.4 billion)**
- B) ¥10.0 trillion (\$65 billion)
- C) ¥50.0 trillion (\$320 billion)
- D) ¥5.0 trillion (\$32 billion)

15. The Bank of Japan ended its negative interest rate policy and quantitative easing program in which year?

- A) 2024**
- B) 2022
- C) 2025
- D) 2023

16. What was the Nikkei Stock Average's record high on May 25, 2026, reaching a new all-time high amidst the AI boom?

- A) 65,158.19**
- B) 50,000
- C) 70,000
- D) 60,000

17. As of April 2026, the Bank of Japan kept its short-term policy rate unchanged at what percentage, with a 6-3 vote?

- A) 0.75%**
- B) 0.50%
- C) 1.00%
- D) 0.25%