

# The Aftermath of the Great East Japan Earthquake and the Japanese Corporate Bond Market

Sumiko Takaoka<sup>a \*</sup>

<sup>a</sup>Faculty of Economics, Seikei University, 3-3-1, Kichijoji Kitamachi, Musashino, Tokyo 180-8633, Japan  
e-mail: takaoka@econ.seikei.ac.jp

January 22, 2016

## Abstract

The Great East Japan Earthquake and nuclear disaster provide a striking case in which the largest player in the Japanese corporate bond market dropped out suddenly. And this sudden natural disaster increases the uncertainty about the future economic fundamentals. The aim of this paper is to identify the contributing factor to determine the credit spreads after this disaster. Estimation results in this paper suggest that the BOJ's massive stimulus programme significantly lowers the credit spreads in Japan.

*JEL classification numbers:* E52, G12, G30

*Keywords:* Corporate bonds, Credit spreads, Great East Japan earthquake, Japanese Government Bonds,

---

\*Sumiko Takaoka is a professor of economics at Seikei University at Tokyo. The author would like to thank Colin McKenzie for helpful comments, and gratefully acknowledge the financial assistance provided by the Japan Society for the Promotion of Science (JSPS) Grant in Aid for Scientific Research No. 25705010.