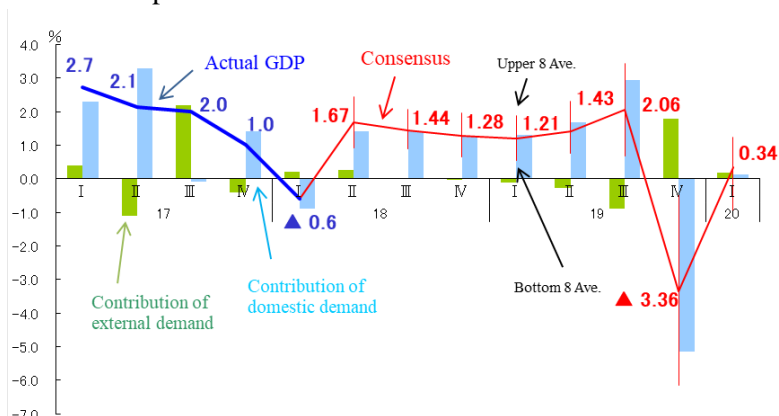


Real GDP Growth Outlook for 2018Q2 at 1.67%

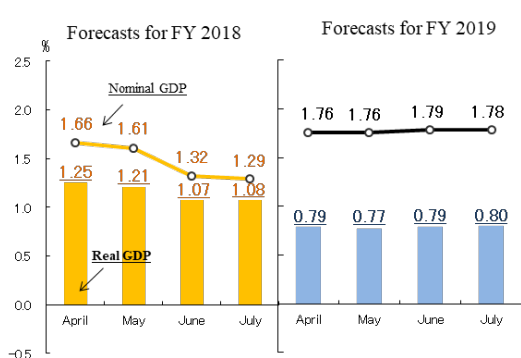
Real GDP (Quarterly)

Professional forecasters (39 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 1.67% last quarter, revised downward from the previous survey at 1.73%. They predict growth around 1.2-1.4% thereafter over the survey period except the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 1.6% (actual) in FY2017, 1.08% in FY2018, and 0.80% in FY2019. The nominal figures for each fiscal year are 1.7%, 1.29%, and 1.78%, respectively.



Contribution	FY2018	FY2019
Domestic	0.9 (1.2/0.6)	0.8 (1.1/0.5)
Private	0.8 (1.0/0.6)	0.6 (0.9/0.3)
Public	0.1 (0.2/0.0)	0.2 (0.3/0.1)
External	0.2 (0.3/0.0)	▲0.0 (0.2/▲0.3)
Real GDP growth	1.08 (1.31/0.83)	0.80 (1.05/0.58)

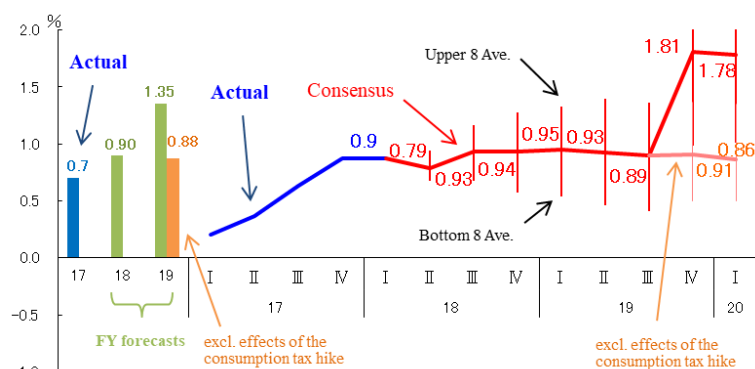
(Additional question) Forecasts for FY2020

Consensus: 0.76% (Upper 8 Ave.: 1.43%; Bottom 8 Ave.: 0.21%)

(Notes) Consensus (Upper 8 Ave./Bottom 8 Ave.).
Contributions are approximate values.

Core CPI (year-on-year)

The forecasters expect core CPI to average around 0.8-1.0% over the next six quarters and increase up to 1.81% in the 4th quarter of 2019 due to the consumption tax hike. Annual average core CPI is 0.90% in FY2018, and 1.35% in FY2019, increasing from 0.7% in FY2017. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around August 8.