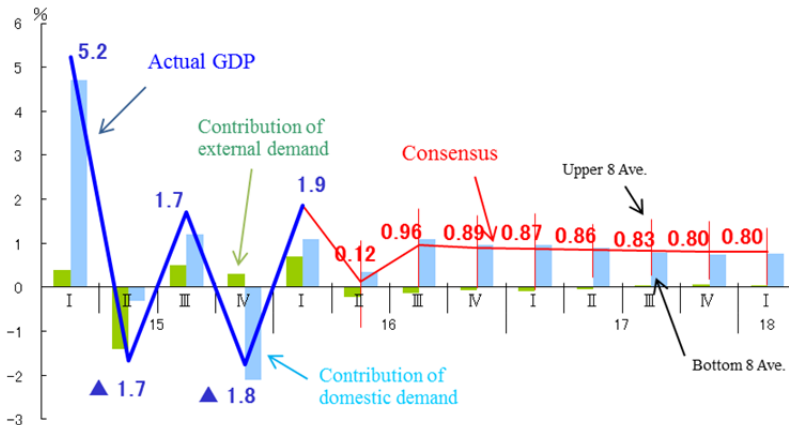


## Brexit Lowers Real GDP Growth for FY2016 to 0.62%

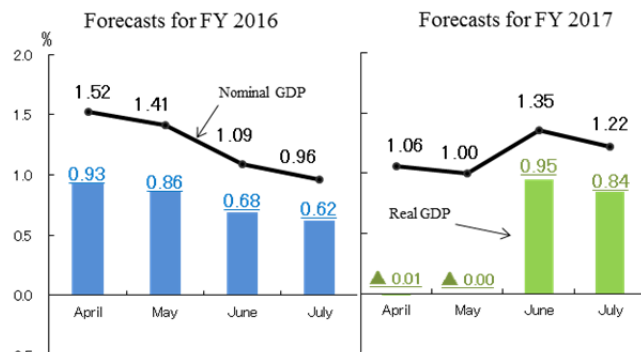
### Real GDP (Quarterly)

Professional forecasters (43 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.12 % last quarter, through alternating between growth and decline in 2015. They predict stable growth around 0.8-0.9% over the survey period.



### GDP Growth (FY)

With the Brexit decision by the UK, the average rates of real GDP growth prediction are lowered to 0.62% in FY2016 and 0.84% in FY2017. The nominal figures for each fiscal year are 0.96% and 1.22%, respectively.



(Note) Forecasts of April and May assumed tax increase on April 2017.

Contribution	FY2016	FY2017
Domestic	<b>0.5</b> (1.0/0.2)	<b>0.9</b> (1.5/0.4)
Private	<b>0.2</b> (0.6/▲0.1)	<b>0.6</b> (1.2/0.2)
Public	<b>0.3</b> (0.4/0.2)	<b>0.2</b> (0.4/0.1)
External	<b>0.1</b> (0.3/▲0.2)	<b>▲0.0</b> (0.2/▲0.4)
Real GDP growth	<b>0.62</b> (0.99/0.28)	<b>0.84</b> (1.26/0.44)

(Notes) Consensus (Upper 8 Ave./Bottom 8 Ave.).

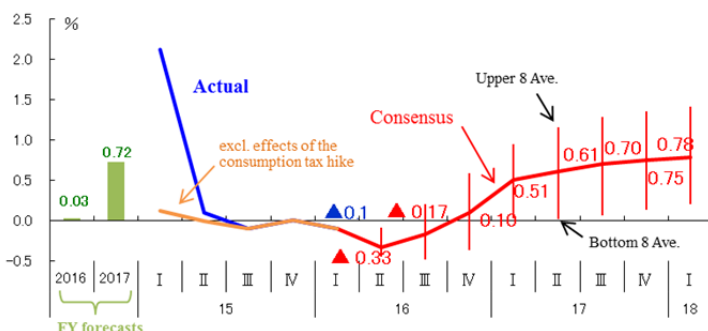
Contributions are approximate values.

### (Additional question) Forecasts for FY2018

Consensus: 0.93% (Upper 8 Ave.: 1.54%; Bottom 8 Ave.: 0.43%)

### Core CPI (year-on-year)

The forecasters expect core CPI to level off at ▲0.33% last quarter, and thereafter to moderately increase up to 0.78% in the 1<sup>st</sup> quarter of 2018. Annual average core CPI is 0.03% in FY2016 and 0.72% in FY2017, increasing from 0.0% in FY2015. (Note) Core CPI: All items less fresh food



### (Additional question) Forecasts for FY2018

Consensus: 0.94%

(Upper 8 Ave.: 1.56%; Bottom 8 Ave.: 0.41%)

Next survey will be released on or around August 9.