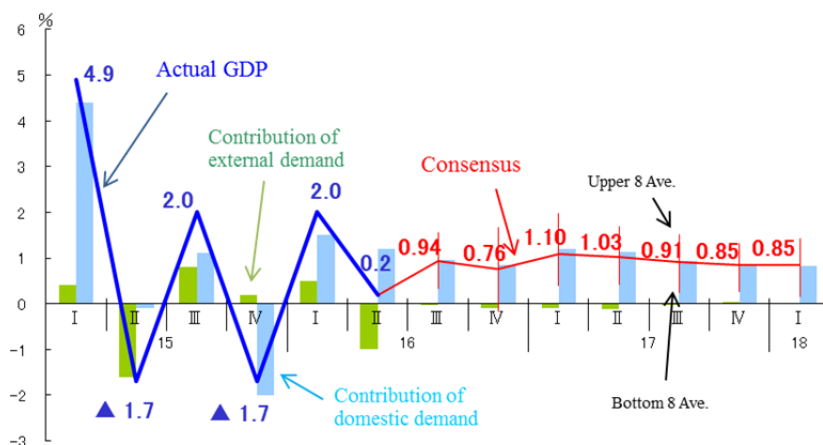


CPI Inflation Outlook Revises Down to 0.65% in FY2017

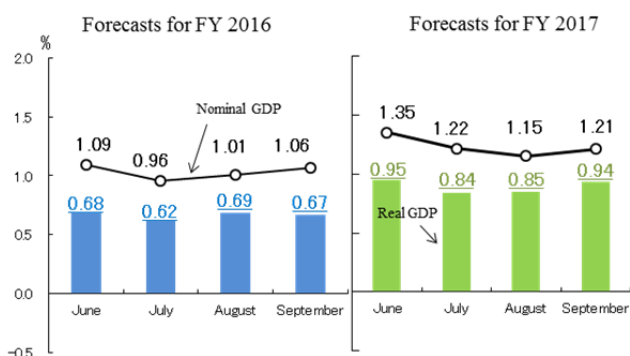
Real GDP (Quarterly)

Professional forecasters (42 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.94 % this quarter, through alternating between growth and decline in 2015. They predict stable growth around 0.7-1.1% over the survey period.



GDP Growth (FY)

The average rates of real GDP growth prediction are 0.67% in FY2016 and 0.94% in FY2017. The nominal figures for each fiscal year are 1.06% and 1.21%, respectively.



Contribution	FY2016	FY2017
Domestic	0.8 (1.1/0.5)	1.0 (1.7/0.5)
Private	0.4 (0.6/0.2)	0.7 (1.3/0.2)
Public	0.4 (0.6/0.4)	0.3 (0.5/0.2)
External	▲0.1 (0.0/▲0.3)	▲0.1 (0.2/▲0.4)
Real GDP growth	0.67 (0.93/0.44)	0.94 (1.38/0.51)

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

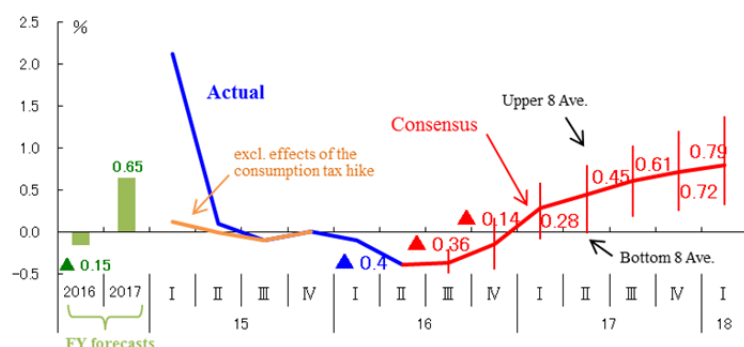
Contributions are approximate values.

(Additional question) Forecasts for FY2018

Consensus: 0.92% (Upper 8 Ave.: 1.51%; Bottom 8 Ave.: 0.44%)

Core CPI (year-on-year)

The forecasters expect core CPI to continue to decline until the end of 2016, and thereafter to moderately increase up to 0.79% in the 1st quarter of 2018. Annual average core CPI is ▲0.15% in FY2016 and 0.65% in FY2017, after 0.0% in FY2015. (Note) Core CPI: All items less fresh food.



(Additional question) Forecasts for FY2018

Consensus: 0.92%

(Upper 8 Ave.: 1.39%; Bottom 8 Ave.: 0.45%)

Next survey will be released on or around October 11.