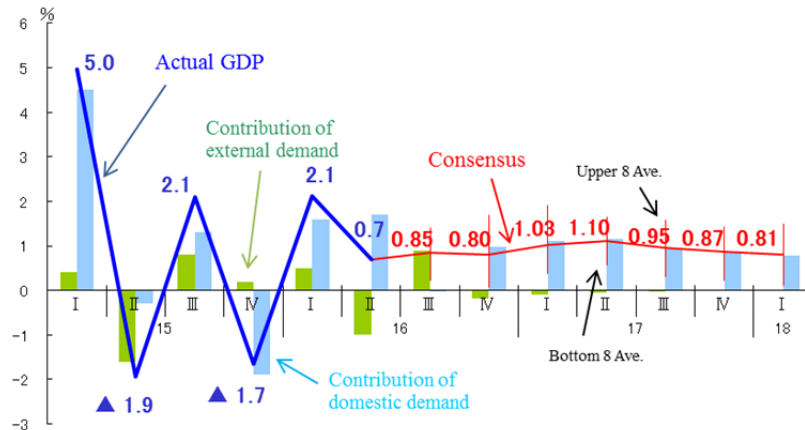


## CPI Inflation Will Not Reach 1% until FY2018

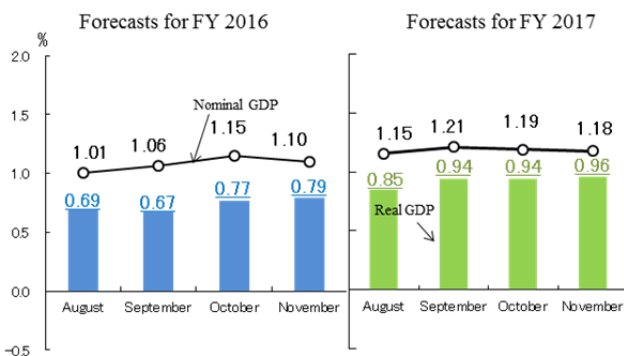
### Real GDP (Quarterly)

Professional forecasters (42 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.85 % last quarter, through alternating between growth and decline in 2015. They predict stable growth around 0.8-1.1% over the survey period.



### GDP Growth (FY)

The average rates of real GDP growth prediction are 0.79% in FY2016 and 0.96% in FY2017. The nominal figures for each fiscal year are 1.10% and 1.18%, respectively.



Contribution	FY2016	FY2017
Domestic	<b>0.8</b> (1.0/0.6)	<b>1.0</b> (1.6/0.5)
Private	<b>0.4</b> (0.6/0.2)	<b>0.6</b> (1.2/0.2)
Public	<b>0.4</b> (0.5/0.3)	<b>0.3</b> (0.5/0.2)
External	<b>0.0</b> (0.2/▲0.2)	<b>▲0.0</b> (0.2/▲0.3)
<b>Real GDP growth</b>	<b>0.79</b> (0.98/0.60)	<b>0.96</b> (1.40/0.56)

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

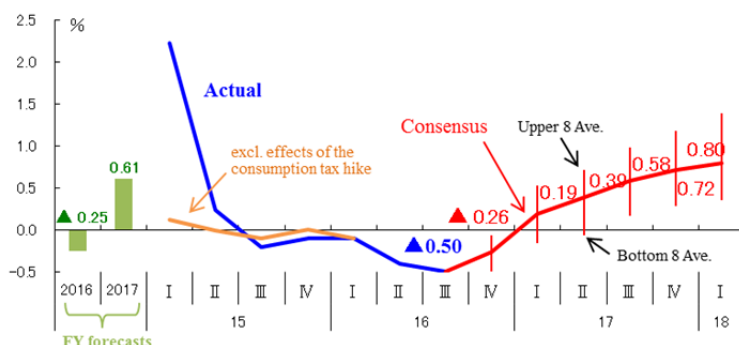
Contributions are approximate values.

#### (Additional question) Forecasts for FY2018

Consensus: 0.90% (Upper 8 Ave.: 1.45%; Bottom 8 Ave.: 0.45%)

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

The forecasters expect core CPI to level off at ▲0.50% last quarter, and thereafter to moderately increase up to 0.80% in the 1<sup>st</sup> quarter of 2018. Annual average core CPI is ▲0.25% in FY2016 and 0.61% in FY2017. (Note) Core CPI: All items less fresh food.



#### (Additional question) Forecasts for FY2018

Consensus: 0.94%

(Upper 8 Ave.: 1.44%; Bottom 8 Ave.: 0.49%)

Next survey will be released on or around December 19.