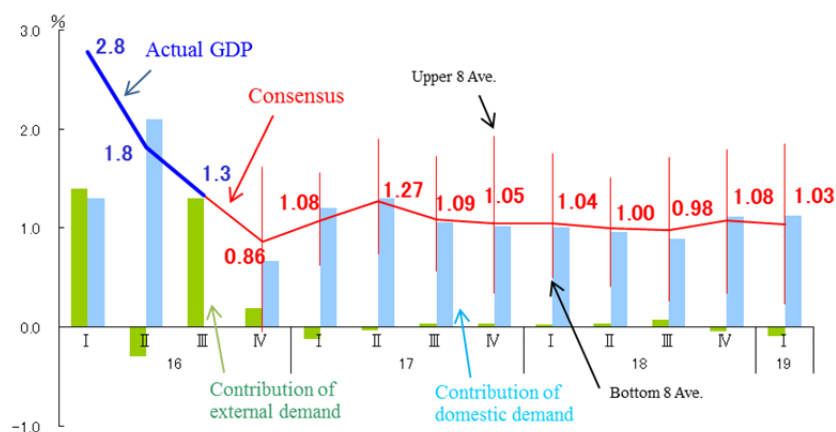


Real GDP Growth Outlook at 1.11% for FY2017 and 1.02% for FY2018

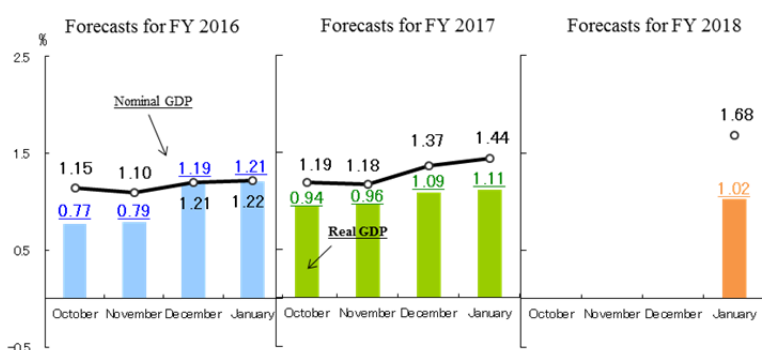
Real GDP (Quarterly)

Professional forecasters (41 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.86% last quarter and 1.08% this quarter. They predict stable growth around 1.0-1.2% after the slowdown in 2016.



GDP Growth (FY)

The average rates of real GDP growth prediction are 1.21% in FY2016, 1.11% in FY2017, and 1.02% in FY2018. The nominal figures for each fiscal year are 1.22%, 1.44%, and 1.68%, respectively.

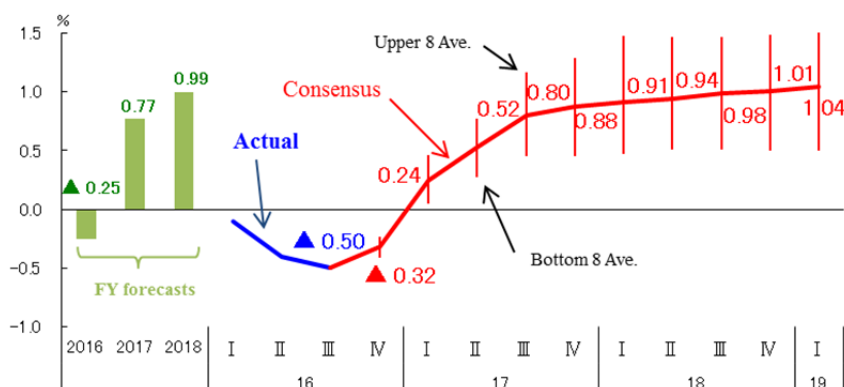


Contribution	FY2016	FY2017	FY2018
Domestic	0.8 (0.9/0.6)	1.0 (1.6/0.6)	1.0 (1.5/0.5)
Private	0.6 (0.7/0.4)	0.6 (1.1/0.3)	0.8 (1.3/0.4)
Public	0.2 (0.3/0.1)	0.4 (0.5/0.2)	0.2 (0.4/▲0.1)
External	0.4 (0.6/0.3)	0.1 (0.3/▲0.3)	0.0 (0.2/▲0.1)
Real GDP growth	1.21 (1.31/1.08)	1.11 (1.48/0.81)	1.02 (1.48/0.50)

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

Core CPI (year-on-year)

After having leveled off in the 3rd quarter of 2016, the forecasters expect core CPI to jump back into positive territory at 0.24% this quarter, and thereafter to moderately increase up to 1.04% in the 1st quarter of 2019. Annual average core CPI is ▲0.25% in FY2016, 0.77% in FY2017, and 0.99% in FY2018. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around February 9.