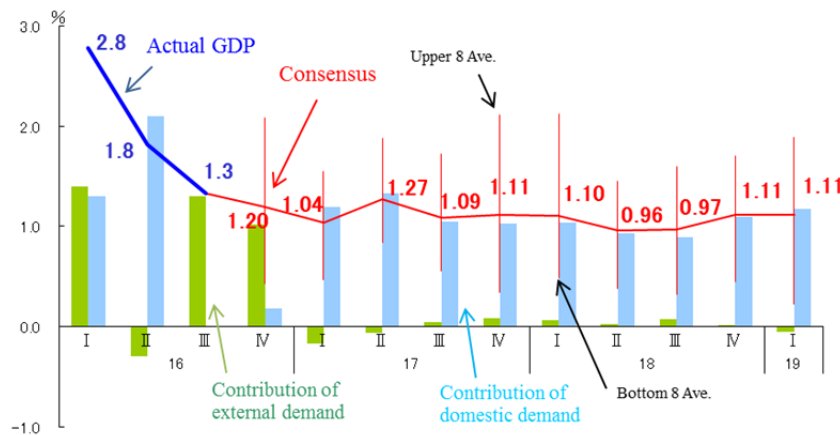


Real GDP Growth Outlook at 1.20% for 2016 Q4 and Successive Upward Revision for FY2017

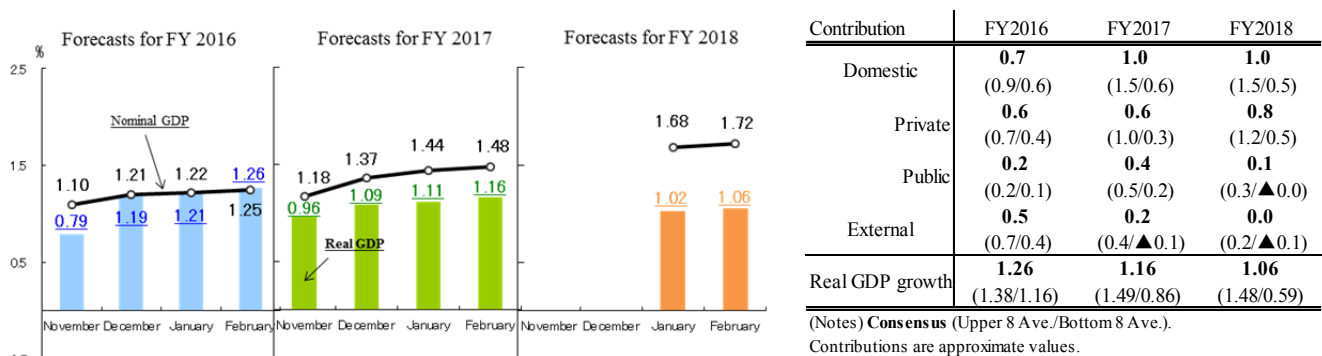
Real GDP (Quarterly)

Professional forecasters (41 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 1.20% last quarter and 1.04% this quarter. They predict stable growth around 1.0-1.2% after the slowdown in 2016.



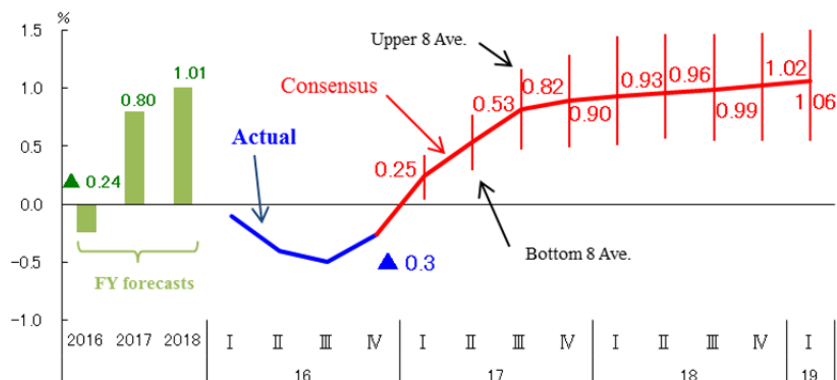
GDP Growth (FY)

The average rates of real GDP growth prediction are 1.26% in FY2016, 1.16% in FY2017, and 1.06% in FY2018. The nominal figures for each fiscal year are 1.25%, 1.48%, and 1.72%, respectively.



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 0.25% this quarter, and thereafter to moderately increase up to 1.06% in the 1st quarter of 2019. Annual average core CPI is ▲0.24% in FY2016, 0.80% in FY2017, and 1.01% in FY2018. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around March 17.