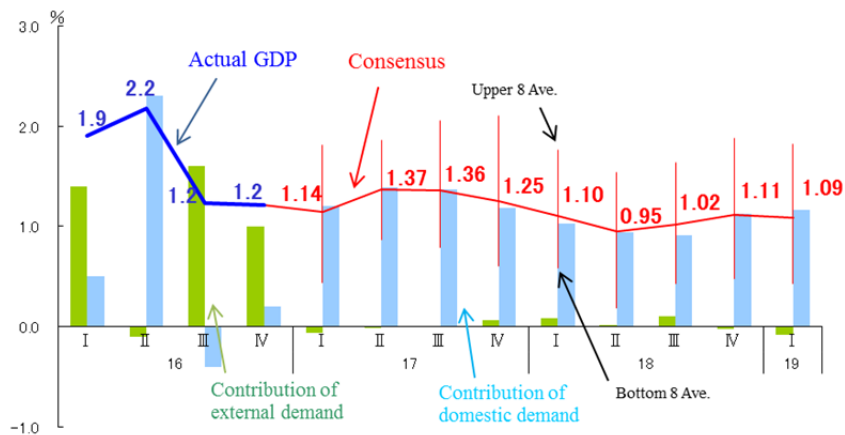


Real GDP Growth Outlook for FY2017 Revised Upward to 1.26%

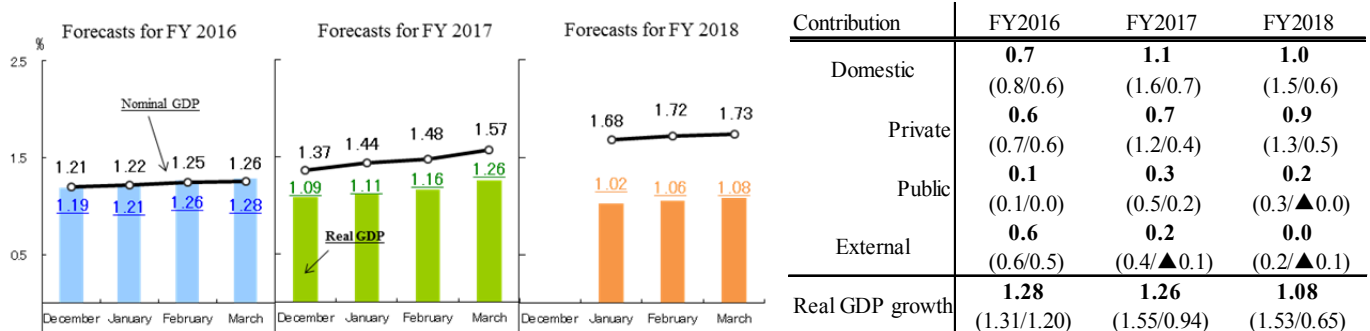
Real GDP (Quarterly)

Professional forecasters (40 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 1.14% this quarter. They predict stable growth around 1.1-1.3% in 2017 after over 1% growth in the second half of 2016.



GDP Growth (FY)

The average rates of real GDP growth prediction are 1.28% in FY2016, 1.26% in FY2017, and 1.08% in FY2018. The nominal figures for each fiscal year are 1.26%, 1.57%, and 1.73%, respectively.

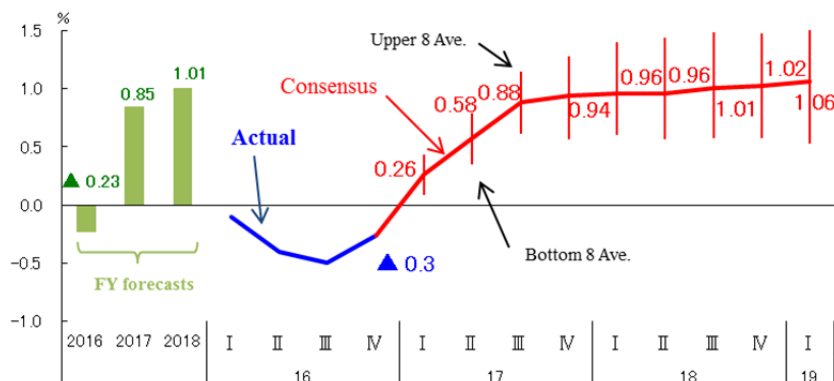


Contribution	FY2016	FY2017	FY2018
Domestic	0.7 (0.8/0.6)	1.1 (1.6/0.7)	1.0 (1.5/0.6)
Private	0.6 (0.7/0.6)	0.7 (1.2/0.4)	0.9 (1.3/0.5)
Public	0.1 (0.1/0.0)	0.3 (0.5/0.2)	0.2 (0.3/▲0.0)
External	0.6 (0.6/0.5)	0.2 (0.4/▲0.1)	0.0 (0.2/▲0.1)
Real GDP growth	1.28 (1.31/1.20)	1.26 (1.55/0.94)	1.08 (1.53/0.65)

(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 0.26% this quarter, and thereafter to moderately increase up to 1.06% in the 1st quarter of 2019. Annual average core CPI is ▲0.23% in FY2016, 0.85% in FY2017, and 1.01% in FY2018. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around April 10.