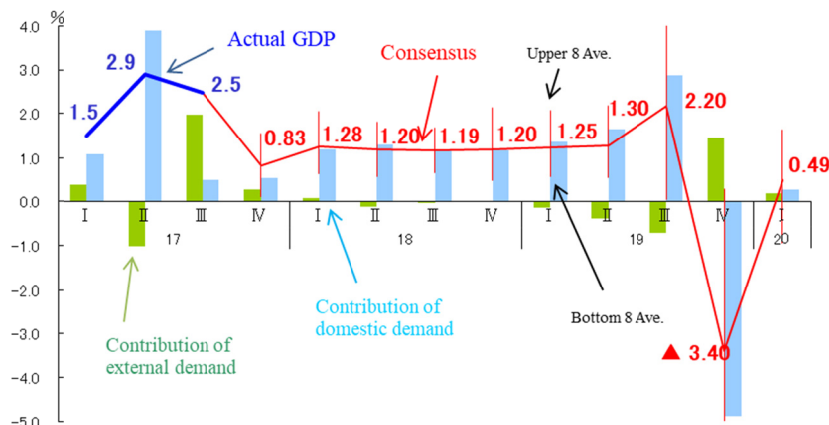


Real GDP Growth Outlook for FY2018 at 1.26%

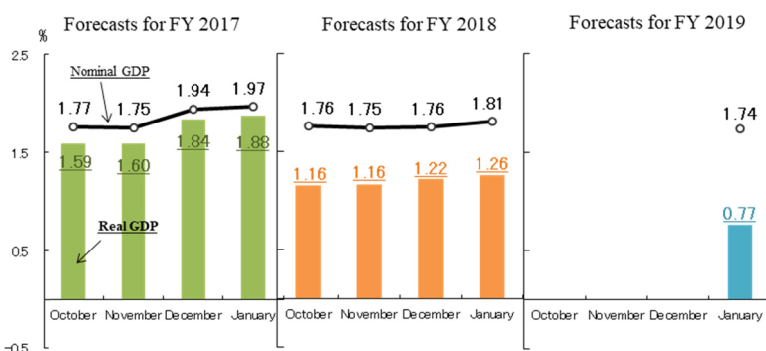
Real GDP (Quarterly)

Professional forecasters (41 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.83 % last quarter and 1.28% this quarter. They predict growth around 1.2-1.3% thereafter over the survey period except the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 1.88% in FY2017, 1.26% in FY2018, and 0.77% in FY2019. The nominal figures for each fiscal year are 1.97%, 1.81%, and 1.74%, respectively.

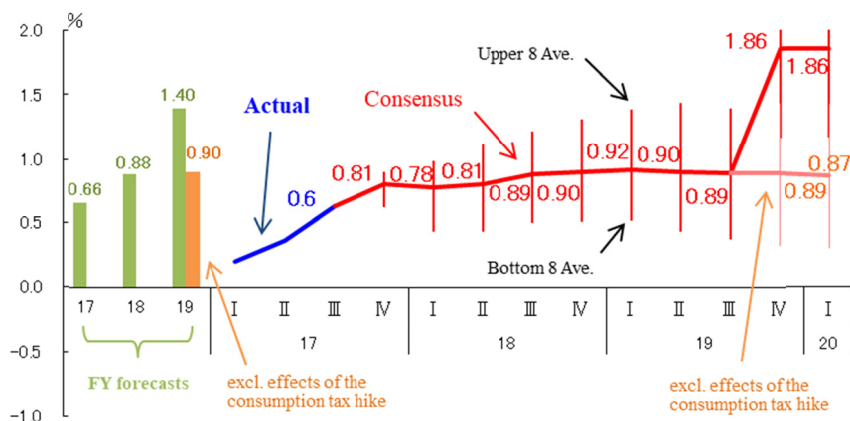


Contribution	FY2017	FY2018	FY2019
Domestic	1.4 (1.6/1.3)	1.1 (1.6/0.7)	0.8 (1.2/0.4)
Private	1.1 (1.4/0.4)	0.9 (1.4/0.2)	0.5 (0.9/▲0.1)
Public	0.3 (1.0/0.1)	0.2 (0.7/0.0)	0.3 (0.7/0.0)
External	0.4 (0.5/0.4)	0.1 (0.4/▲0.1)	▲0.0 (0.2/▲0.4)
Real GDP growth	1.88 (2.04/1.75)	1.26 (1.56/0.96)	0.77 (1.10/0.44)

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

Core CPI (year-on-year)

The forecasters expect core CPI to moderately increase up to 0.92% in the 1st quarter of 2019. Annual average core CPI is 0.66% in FY2017, 0.88% in FY2018, and 1.40% in FY2019. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around February 8.