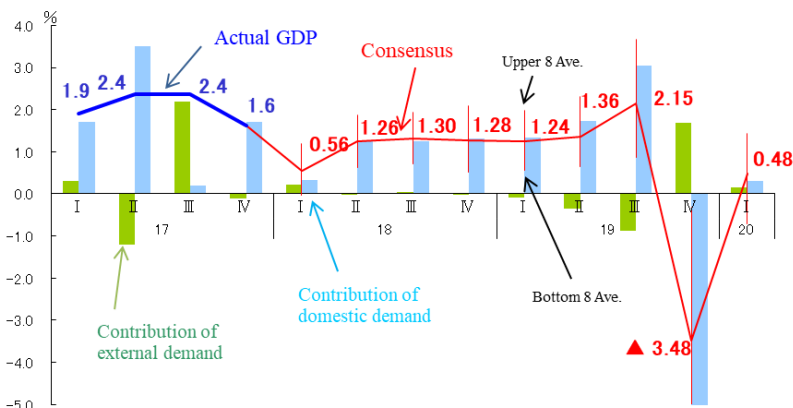


Real GDP Growth Outlook for 2018Q1 Revised Down to 0.56%

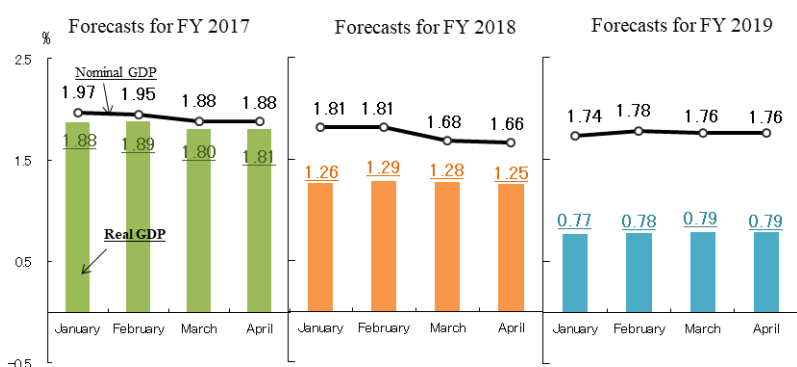
Real GDP (Quarterly)

Professional forecasters (40 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.56% last quarter, revised downward from the previous survey at 0.71%. 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 1.81% in FY2017, 1.25% in FY2018, and 0.79% in FY2019. The nominal figures for each fiscal year are 1.88%, 1.66%, and 1.76%, respectively.

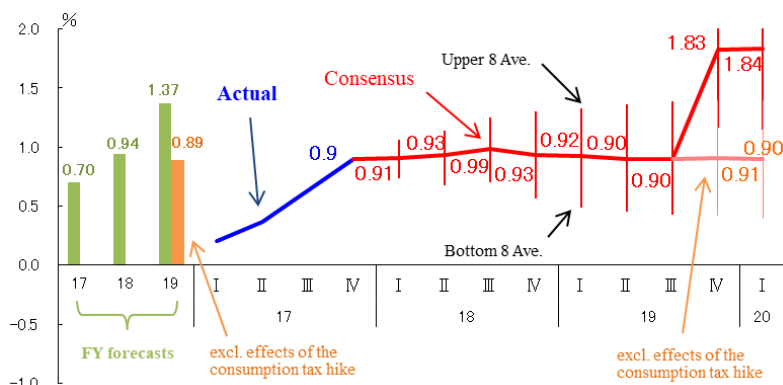


Contribution	FY2017	FY2018	FY2019
Domestic	1.5 (1.5/1.4)	1.1 (1.5/0.8)	0.8 (1.2/0.5)
Private	1.3 (1.3/1.2)	1.0 (1.3/0.7)	0.6 (0.9/0.3)
Public	0.2 (0.2/0.2)	0.1 (0.2/0.0)	0.2 (0.3/0.1)
External	0.3 (0.4/0.3)	0.1 (0.3/▲0.1)	▲0.0 (0.2/▲0.4)
Real GDP growth	1.81 (1.85/1.78)	1.25 (1.55/0.95)	0.79 (1.10/0.49)

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

Core CPI (year-on-year)

The forecasters expect core CPI to average around 0.9% over the next seven quarters and increase up to 1.83% in the 4th quarter of 2019 due to the consumption tax hike. Annual average core CPI is 0.70% in FY2017, 0.94% in FY2018, and 1.37% in FY2019. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around May 14.