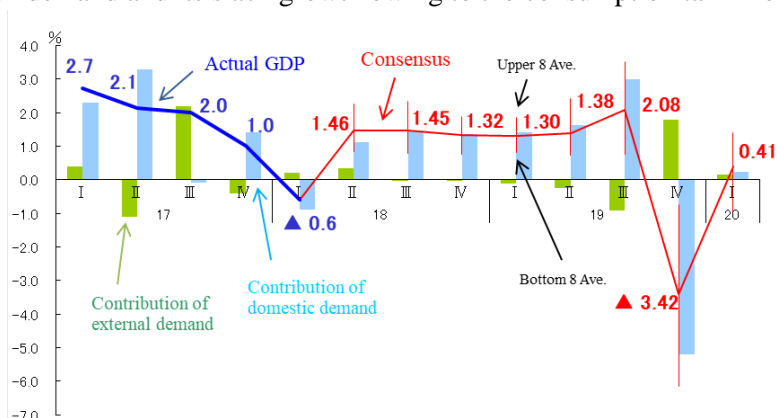


Real GDP Growth Outlook for 2018Q2 at 1.46%

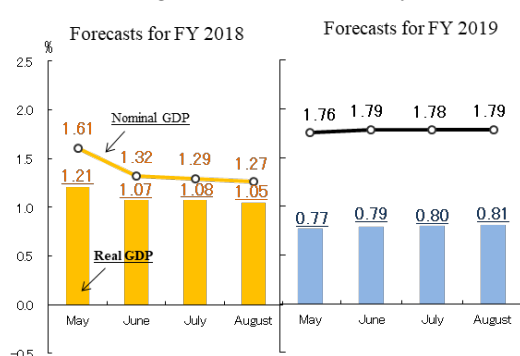
Real GDP (Quarterly)

Professional forecasters (39 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 1.46% last quarter, revised downward from the previous survey at 1.67%. They predict growth around 1.3-1.5% until the 2nd quarter of 2019, and rush demand and its slack growth owing to the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 1.6% (actual) in FY2017, 1.05% in FY2018, and 0.81% in FY2019. The nominal figures for each fiscal year are 1.7%, 1.27%, and 1.79%, respectively.



Contribution	FY2018	FY2019
Domestic	0.9 (1.1/0.6)	0.8 (1.2/0.5)
Private	0.7 (1.0/0.5)	0.6 (1.0/0.3)
Public	0.1 (0.2/0.0)	0.2 (0.3/0.1)
External	0.2 (0.3/0.0)	▲0.0 (0.2/▲0.3)
Real GDP growth	1.05 (1.26/0.84)	0.81 (1.09/0.55)

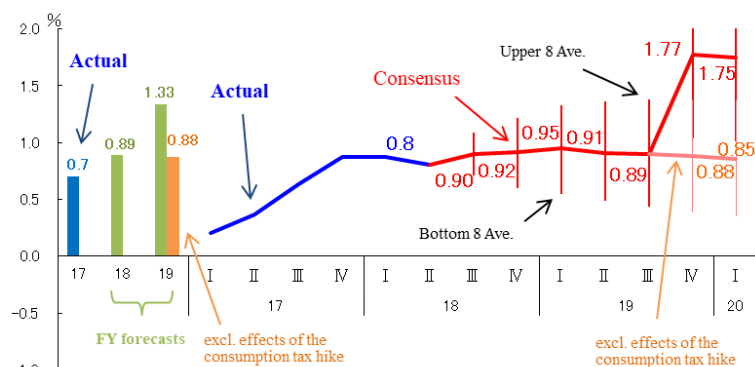
(Notes) Consensus (Upper 8 Ave./Bottom 8 Ave.).
Contributions are approximate values.

(Additional question) Forecasts for FY2020

Consensus: 0.74% (Upper 8 Ave.: 1.39%; Bottom 8 Ave.: 0.23%)

Core CPI (year-on-year)

The forecasters expect core CPI to average around 0.9% over the next five quarters and increase up to 1.77% in the 4th quarter of 2019 due to the consumption tax hike. Annual average core CPI is 0.89% in FY2018, and 1.33% in FY2019, increasing from 0.7% in FY2017. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around September 19.