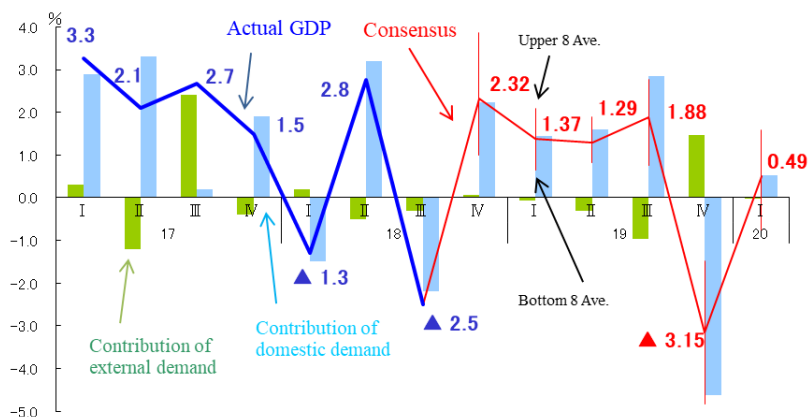


Real GDP Growth Outlook for 4th Quarter 2018 Revised Upward to 2.32%

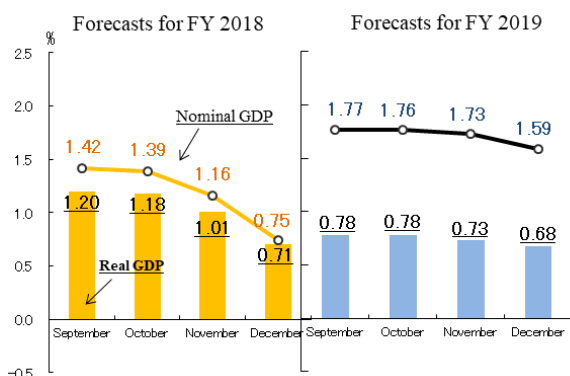
Real GDP (Quarterly)

Professional forecasters (39 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 2.32% this quarter, revised upward from the previous survey at 1.69%. They predict growth around 1.3-1.4% 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 0.71% in FY2018 and 0.68% in FY2019. The nominal figures for each fiscal year are 0.75% and 1.59%, respectively.



Contribution	FY2018	FY2019
Domestic	0.8 (0.9/0.6)	0.8 (1.0/0.5)
Private	0.7 (0.9/0.6)	0.5 (0.7/0.3)
Public	0.0 (0.1/▲0.0)	0.2 (0.4/0.1)
External	▲0.1 (0.0/▲0.1)	▲0.1 (0.1/▲0.3)
Real GDP growth	0.71 (0.93/0.54)	0.68 (0.93/0.40)

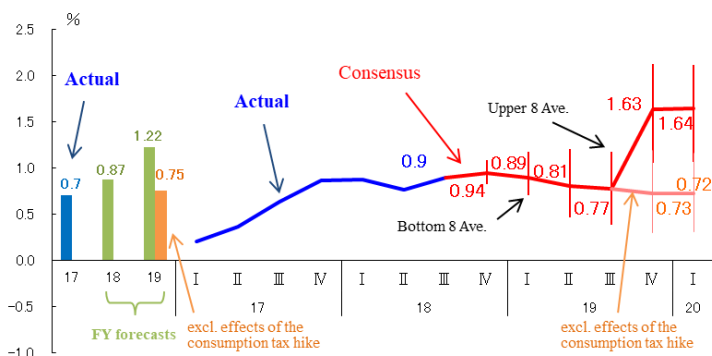
(Notes) **Consensus** (Upper 8 Ave./Bottom 8 Ave.).
Contributions are approximate values.

(Additional question) Forecasts for FY2020

Consensus: 0.55% (Upper 8 Ave.: 0.94%; Bottom 8 Ave.: 0.14%)

Core CPI (year-on-year)

The forecasters expect core CPI to average around 0.8-0.9% over the next four quarters and increase up to 1.63% in the 4th quarter of 2019 due to the consumption tax hike. Annual average core CPI is 0.87% in FY2018, and 1.22% in FY2019. (Note) Core CPI: All items less fresh food.



(Additional question) Forecasts for FY2020

Consensus (incl. effects of the consumption tax hike): 1.22%
(Upper 8 Ave.: 1.60%; Bottom 8 Ave.: 0.76%)

Consensus (excl. effects of the consumption tax hike): 0.74%
(Upper 8 Ave.: 1.12%; Bottom 8 Ave.: 0.37%)

Next survey will be released on or around January 16.