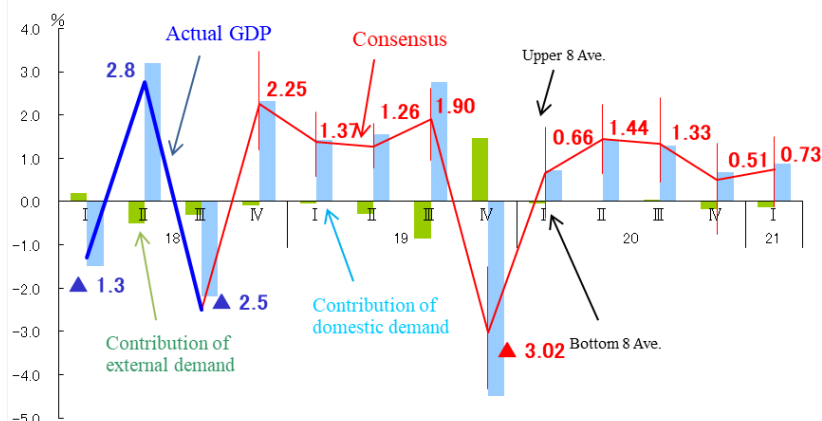


Real GDP Growth Outlook for FY2019 at 0.7%

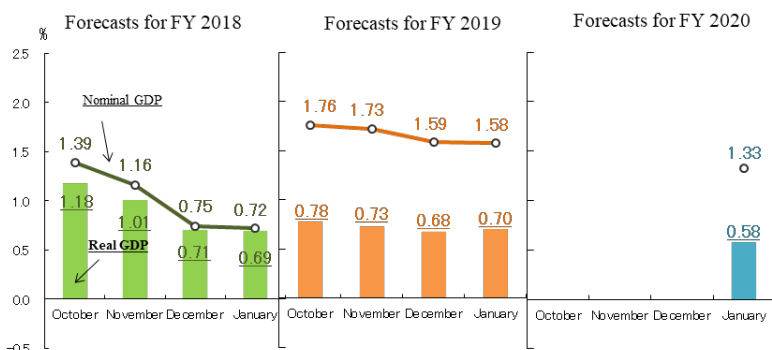
Real GDP (Quarterly)

Professional forecasters (37 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 2.25% last quarter. They predict rush demand at 1.90% in the 3rd quarter of 2019 and its slack growth at ▲3.02% in the following quarter owing to the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 0.69% in FY2018, 0.70% in FY2019, and 0.58% in FY2020. The nominal figures for each fiscal year are 0.72%, 1.58%, and 1.33%, respectively.

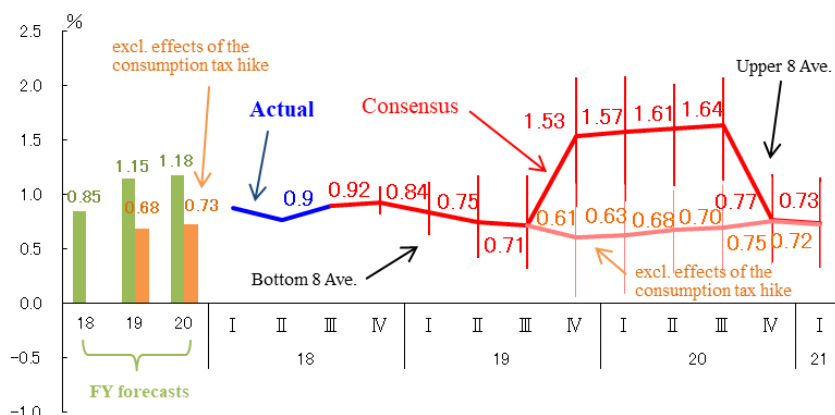


Contribution	FY2018	FY2019	FY2020
Domestic	0.8 (0.9/0.6)	0.8 (1.0/0.6)	0.5 (0.9/0.1)
Private	0.7 (0.9/0.6)	0.5 (0.7/0.4)	0.3 (0.6/▲0.1)
Public	0.0 (0.1/▲0.0)	0.2 (0.4/0.1)	0.2 (0.3/0.1)
External	▲0.1 (▲0.0/▲0.2)	▲0.1 (0.1/▲0.3)	0.1 (0.3/▲0.1)
Real GDP growth	0.69 (0.88/0.55)	0.70 (0.93/0.45)	0.58 (0.89/0.25)

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

Core CPI (year-on-year)

The forecasters expect core CPI to decrease from 0.9% to 0.71% in the 3rd quarter of 2019 and increase to 1.53% in the following quarter. Annual average core CPI is 0.85% in FY2018, 1.15% in FY2019, and 1.18% in FY2020. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around February 12.