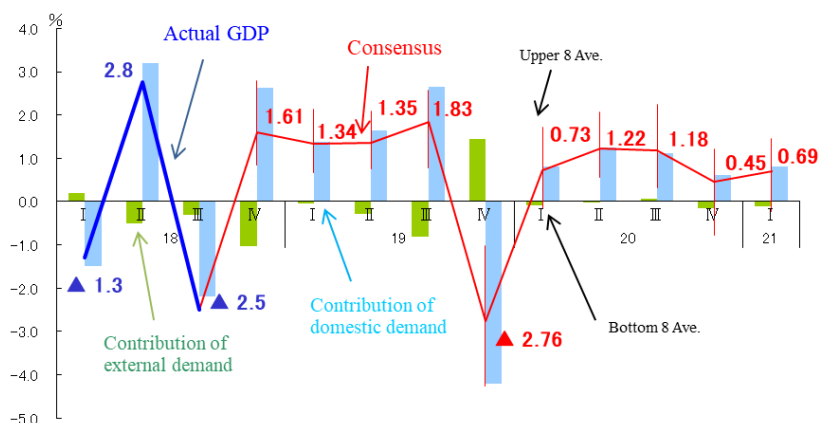


Real GDP Growth Outlook for 2018Q4 Revised Down to 1.61%

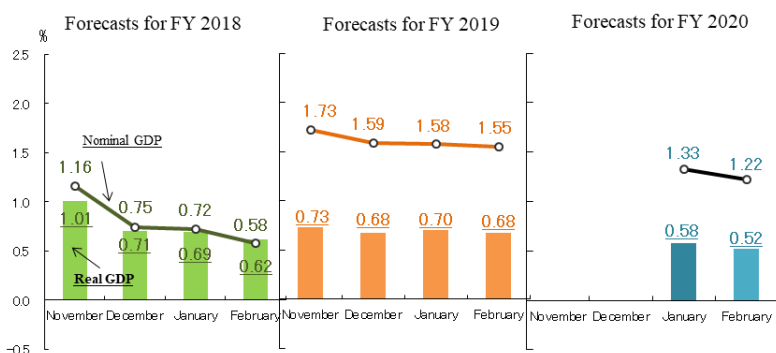
Real GDP (Quarterly)

Professional forecasters (39 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 1.61% last quarter. They predict rush demand at 1.83% in the 3rd quarter of 2019 and its slack growth at ▲2.76% in the following quarter owing to the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 0.62% in FY2018, 0.68% in FY2019, and 0.52% in FY2020. The nominal figures for each fiscal year are 0.58%, 1.55%, and 1.22%, respectively.

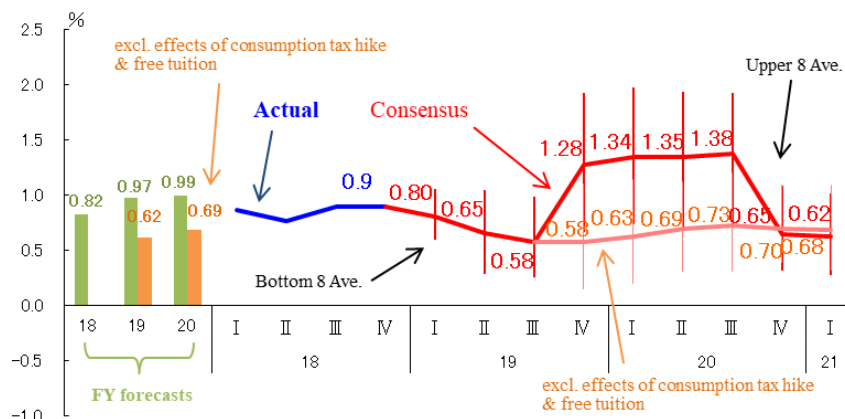


Contribution	FY2018	FY2019	FY2020
Domestic	0.8 (0.9/0.7)	0.9 (1.1/0.6)	0.4 (0.8/0.1)
Private	0.8 (0.9/0.7)	0.6 (0.9/0.3)	0.2 (0.6/▲0.1)
Public	▲0.0 (0.0/▲0.1)	0.2 (0.4/0.1)	0.2 (0.3/0.1)
External	▲0.2 (▲0.0/▲0.3)	▲0.2 (0.0/▲0.5)	0.1 (0.3/▲0.1)
Real GDP growth	0.62 (0.79/0.50)	0.68 (0.91/0.41)	0.52 (0.83/0.23)

(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 0.58% in the 3rd quarter of 2019 and increase to 1.28% in the following quarter. Annual average core CPI is 0.82% in FY2018, 0.97% in FY2019, and 0.99% in FY2020. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around March 18.