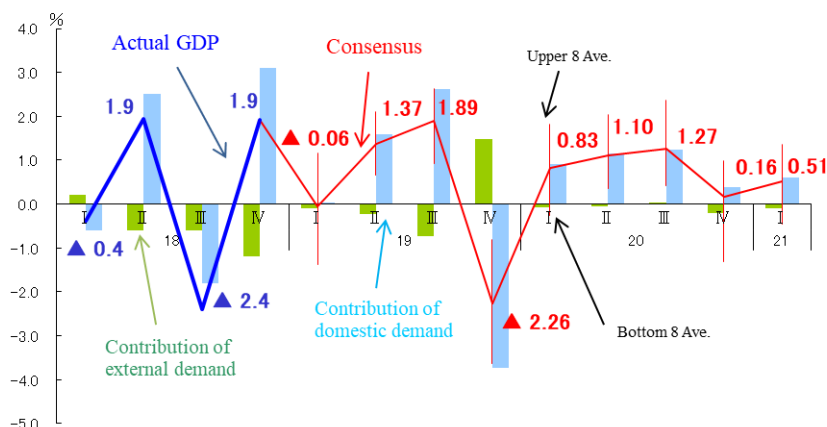


Forecasters Predict Slightly Negative Real GDP Growth Outlook for 2019Q1

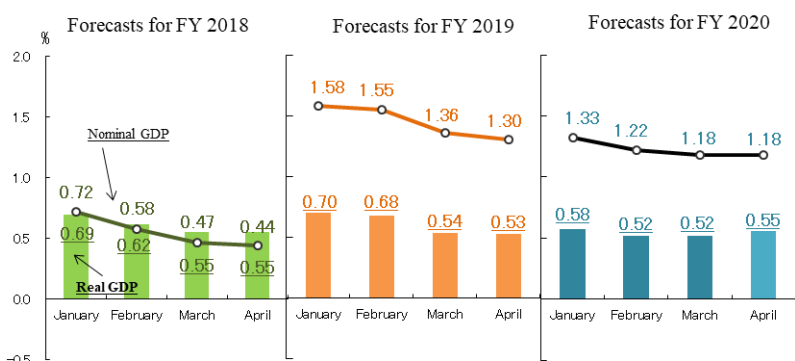
Real GDP (Quarterly)

Professional forecasters (36 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of ▲0.06% last quarter, a downward revision from the previous survey at 0.01%. They predict rush demand at 1.89% in the 3rd quarter of 2019 and its slack growth at ▲2.26% in the following quarter owing to the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 0.55% in FY2018, 0.53% in FY2019, and 0.55% in FY2020. The nominal figures for each fiscal year are 0.44%, 1.30%, and 1.18%, respectively.

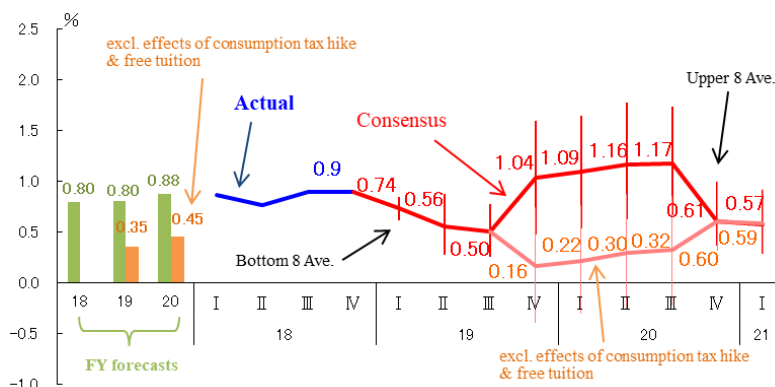


| Contribution | FY2018 | FY2019 | FY2020 |
|------------------------|----------------------------|----------------------------|----------------------------|
| Domestic | 0.8 (0.9/0.7) | 0.7 (1.0/0.4) | 0.5 (0.8/0.1) |
| Private | 0.8 (0.9/0.7) | 0.5 (0.8/0.1) | 0.3 (0.6/▲0.0) |
| Public | ▲0.0 (0.0/▲0.1) | 0.3 (0.4/0.1) | 0.2 (0.3/0.1) |
| External | ▲0.2 (▲0.2/▲0.3) | ▲0.2 (0.0/▲0.5) | 0.1 (0.3/▲0.1) |
| Real GDP growth | 0.55 (0.61/0.45) | 0.53 (0.76/0.24) | 0.55 (0.85/0.29) |

(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 0.50% in the 3rd quarter of 2019 and increase to 1.04% in the following quarter. Annual average core CPI is 0.80% in FY2018 and FY2019, and 0.88% in FY2020. (Note) Core CPI: All items less fresh food.



Next survey will be released on or around May 16.