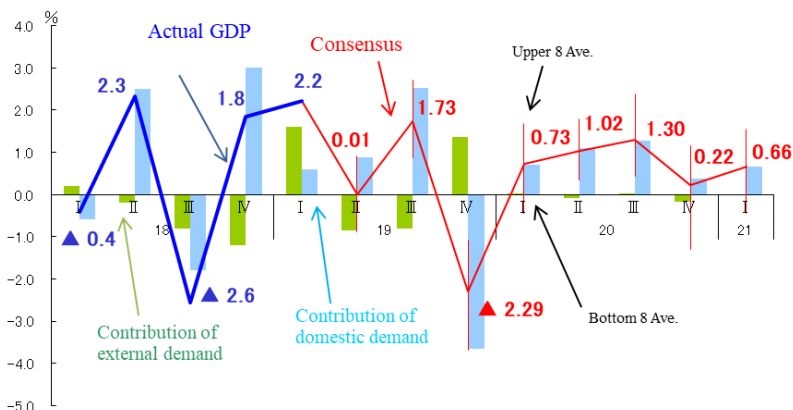


Forecasters Project Zero Growth for 2019Q2

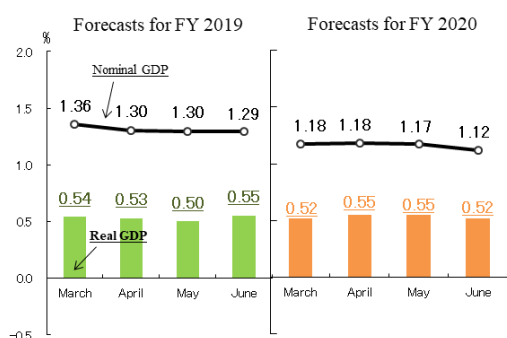
Real GDP (Quarterly)

Professional forecasters (38 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.01% this quarter, revised downward from the previous survey at 1.30%. They predict rush demand at 1.73% in the next quarter and its slack growth at ▲2.29% 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 FY2019, and 0.52% in FY2020. The nominal figures for each fiscal year are 1.29%, and 1.12%, respectively.



Contribution	FY2019	FY2020
Domestic	0.6 (0.9/0.3)	0.4 (0.7/0.1)
Private	0.4 (0.6/0.1)	0.2 (0.5/▲0.1)
Public	0.3 (0.4/0.2)	0.2 (0.3/0.1)
External	▲0.1 (0.2/▲0.3)	0.1 (0.3/▲0.1)
Real GDP growth	0.55 (0.80/0.28)	0.52 (0.80/0.26)

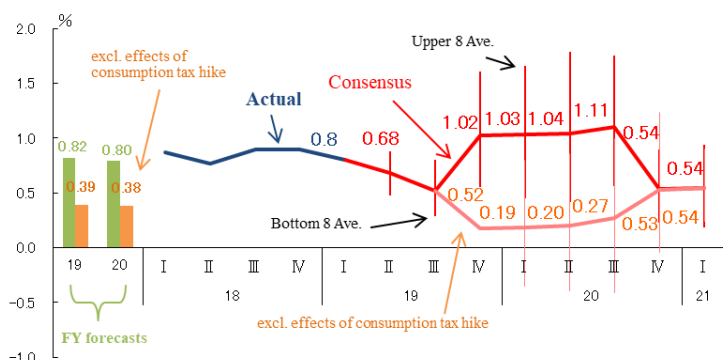
(Notes) **Consensus** (Upper 8 Ave./Bottom 8 Ave.).
Contributions are approximate values.

(Additional question) Forecasts for FY2021

Consensus: 0.60% (Upper 8 Ave.: 1.04%; Bottom 8 Ave.: 0.09%)

Core CPI (year-on-year)

The forecasters expect core CPI to decrease from 0.8% to 0.52% in the next quarter and increase to 1.02% in the following quarter. Annual average core CPI is 0.82% in FY2019, and 0.80% in FY2020, almost flat at 0.8% in FY2018. (Note) Core CPI: All items less fresh food.



(Additional question) Forecasts for FY2021

Consensus: 0.78%
(Upper 8 Ave.: 1.28%; Bottom 8 Ave.: 0.36%)

Next survey will be released on or around July 9.