(Provisional translation by Cabinet Office)

Statement by Minoru Kiuchi, Minister of State for Economic and Fiscal Policy
On the Release of the Quarterly Estimates of GDP for April-June2026 (First Preliminary Estimates)

August 17, 2026

1. The Quarterly Estimates of GDP for April-June 2026 (First Preliminary Estimates), released today, show that the growth rate of real GDP was 0.3% quarter-on-quarter and 1.1% on an annualized basis, marking the third consecutive quarter of positive growth.
   While domestic demand turned negative due to transient factors, Net Exports of Goods & Services contributed positively to the growth rate, resulting in overall positive growth. The results confirm that the underlying trend of the Japanese economy continues to be recovery at a moderate pace.

2. Real wages have risen for seven consecutive months. Concerning short-term prospects, the improvement in the employment and income situation, such as wage increases agreed in the spring labor-management negotiations that exceeded 5% for the third consecutive year, and the effects of the policies are expected to support a moderate recovery. Attention should be given continuously to the effects caused from the situation in the Middle East.

3. Through the approach of “responsible and proactive public finances”, the Government will strive to achieve both a “Strong Japanese Economy” and “fiscal sustainability” in an integrated manner, based on the "Basic Policies on Economic and Fiscal Management and Reform 2026”. To this end, the Government will promptly and steadily implement the measures addressing rising prices and other issues included in the FY2025 supplementary budget, the FY2026 budget and the FY2026 supplementary budget. Furthermore, the Government will ensure the transition to a growth-oriented economy that will not return to deflation, while responding flexibly to various risks.