(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 July-September 2026 (First Preliminary Estimates)

November 16, 2026

1. The Quarterly Estimates of GDP for July-September 2026 (First Preliminary Estimates), released today, show that the growth rate of real GDP was -0.0% quarter-on-quarter, or -0.1% on an annualized basis, marking the first negative growth in four quarters.

2. Private Non-Residential Investment recorded an increase of 1.6% quarter-on-quarter in real terms, against the backdrop of high levels of corporate profits and strong willingness to invest.

   On the other hand, Private Consumption declined quarter-on-quarter for the second consecutive quarter, due to rising prices stemming from the situation in the Middle East, as well as the effects of natural disasters and unseasonable weather. Despite these factors, Compensation of Employees has remained firm.

3. As for short-term prospects, the improvement in the employment and income situation 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.

4. The Government will continue to provide seamless measures to counter rising prices, while working hard to prepare environments that are conducive to raising wages. The Government will pay close attention to financial and capital markets and make every effort to ensure stable economic and fiscal management. At the same time, the Government will encourage public and private sector investment to strengthen growth. Through these efforts, it aims to build a growth-oriented economy where real wages and productivity keep rising, bringing prosperity that people can feel in their daily lives.