

Fiscal Year 2026 Economic Outlook

December 24, 2025
Approved by the Cabinet

Main Economic Indicators

	FY 2024	FY 2025	FY 2026	Percentage changes over the previous fiscal year					
	(Actual)			FY 2024		FY 2025		FY 2026	
	Trillion yen (Nominal)	Trillion yen (Approx.) (Nominal)	Trillion yen (Approx.) (Nominal)	% (Nominal)	% (Real)	% (Approx.) (Nominal)	% (Approx.) (Real)	% (Approx.) (Nominal)	% (Approx.) (Real)
Gross domestic product	642.4	669.2	691.9	3.7	0.5	4.2	1.1	3.4	1.3
Private consumption	340.4	353.5	365.3	2.9	0.2	3.9	1.3	3.4	1.3
Private residential investment	27.6	27.3	28.3	2.6	-0.7	-0.8	-3.4	3.3	1.3
Private non-residential investment	119.2	124.6	130.5	4.2	0.9	4.5	1.9	4.8	2.8
Change in private inventories *	0.1	0.3	0.3	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Exports of goods and services	141.7	145.5	151.4	6.8	1.7	2.8	2.5	4.0	2.0
Less: Imports of goods and services	147.4	146.9	153.9	6.3	3.3	-0.4	2.7	4.8	2.9
Contribution of domestic demand				3.7	0.9	3.5	1.1	3.6	1.5
Contribution of private demand				2.5	0.4	2.9	1.0	2.8	1.3
Contribution of public demand				1.1	0.5	0.6	0.1	0.8	0.3
Contribution of external demand				0.0	-0.4	0.7	-0.1	-0.2	-0.2
Gross national income	682.1	711.1	737.4	4.0	1.1	4.3	1.7	3.7	1.7
Labor and employment	Ten thousands	Ten thousands (Approx.)	Ten thousands (Approx.)	%		% (Approx.)		% (Approx.)	
Total labor force	6,968	7,005	7,010	0.5		0.5		0.1	
Total employment	6,793	6,831	6,841	0.5		0.6		0.1	
Employees	6,141	6,190	6,212	0.9		0.8		0.4	
Unemployment rate	%	% (Approx.)	% (Approx.)						
	2.5	2.5	2.4						
Production	%	% (Approx.)	% (Approx.)						
Industrial production	-1.4	0.3	1.2						
Prices	%	% (Approx.)	% (Approx.)						
Domestic corporate goods price index	3.3	2.3	1.4						
Consumer price index (all items)	3.0	2.6	1.9						
GDP deflator	3.2	3.1	2.0						
Balance of payments	Trillion yen	Trillion yen (Approx.)	Trillion yen (Approx.)	%		% (Approx.)		% (Approx.)	
Balance of goods and services	-6.6	-2.1	-2.9						
Trade balance	-4.0	0.6	0.2						
Exports	106.3	108.6	113.8	4.1		2.2		4.8	
Imports	110.3	108.1	113.7	4.3		-2.0		5.2	
Current balance	29.5	35.6	38.4						
Current balance as a percentage of GDP	%	% (Approx.)	% (Approx.)						
	4.6	5.3	5.5						

* Figures in parentheses represent contribution to GDP growth.

(Note1) The figures for consumer price index are all items.

(Note2) This economic outlook is based on the following assumptions with regard to the real growth rate of world GDP (excluding Japan), the yen exchange rate, and the import price of crude oil. These are technical assumptions for the projections, and they do not represent the view of the government.

	FY 2024(Actual)	FY 2025	FY 2026
Real growth rate of world GDP (excluding Japan) (%)	3.1	2.8	2.8
Exchange rate (yen/dollar)	152.5	150.8	155.2
Import price of crude oil (dollar/barrel)	82.8	71.3	68.0

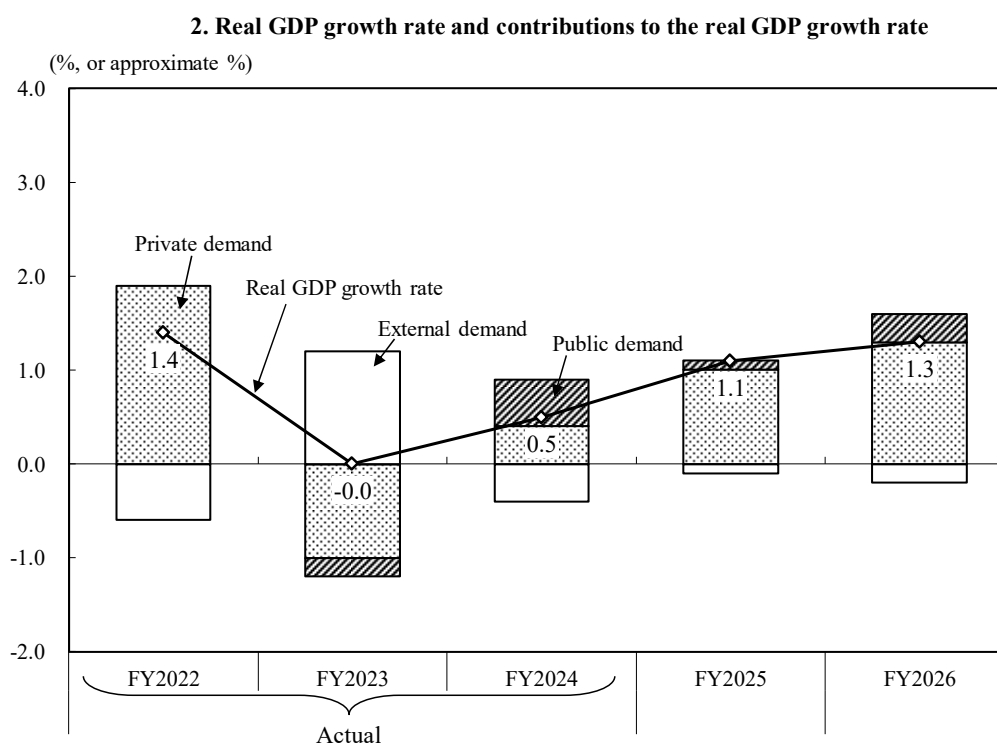
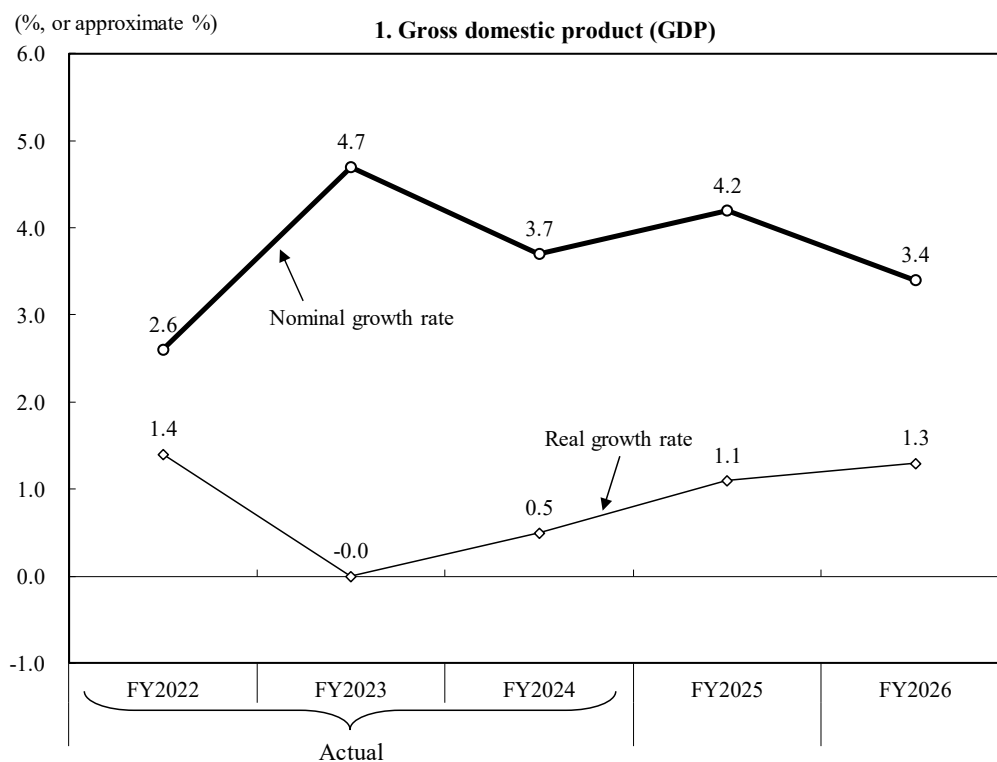
(Remarks) 1. The real growth rate of the world GDP (excluding Japan) is calculated based on economic forecasts of international organizations.

2. The exchange rate from December 2025 onward is assumed to stay constant at 155.2 yen/dollar, which is the average exchange rate from November 1 to November 30.

3. The import price of crude oil from December 2025 onward is assumed to stay constant at 68.0 dollars/barrel, which is the average spot price of the Dubai crude oil from November 1 to November 30, 2025, plus the cost of freight and insurance.

(Reference)

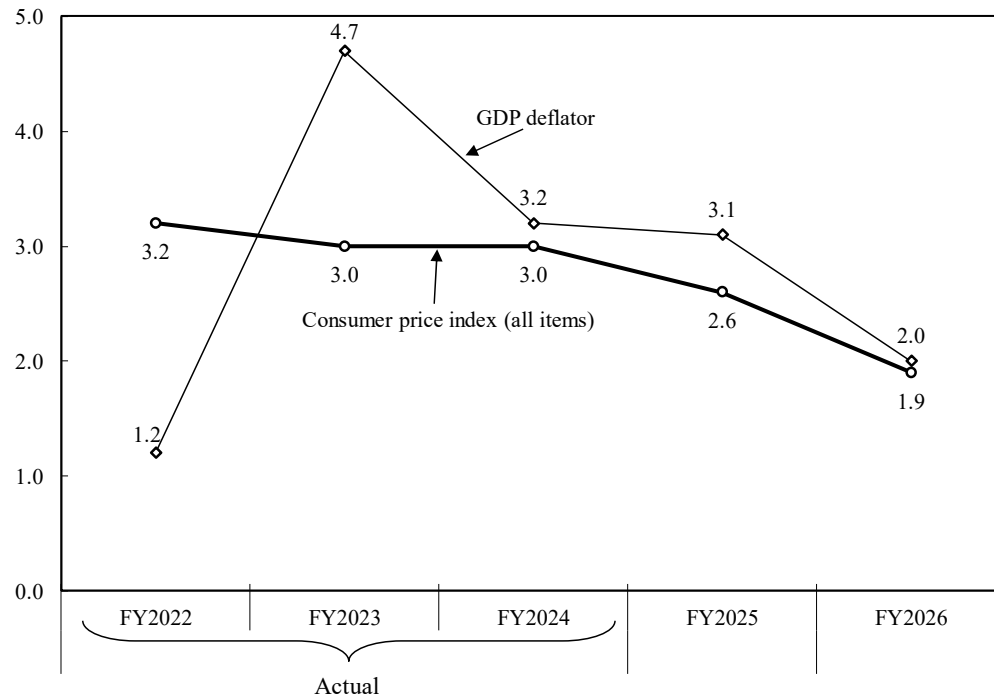
Main Economic Indicators



(Note) Bars represent each demand component's contribution to the real GDP growth rate.

(%, or approximate %)

3. Percentage change in price related indices



4. Unemployment rate and the number of employees

(%, or approximate %)

(Ten thousands, or approximate ten thousands)

